Daily Report

East Europe

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Meksi on Inflation, Relations With Trade Unions

AU1104092795 Tirana TVSH Television Network in Albanian 1800 GMT 8 Apr 95

[Interview with Albanian Prime Minister Aleksander Meksi by Leka Ndoja in Tirana; date not given—recorded]

[FBIS Translated Text] [Ndoja] What would you say regarding inflation in March?

[Meksi] The figures of inflation fluctuations for every month are measured according to a scheme drafted in cooperation with international institutions, mainly the IMF and specialized institutions, through various points in the country, by measuring all kinds of traded goods on certain days. On this basis the so-called consumer price index is calculated, which is the inflation index. Over the last month, this index fell to 0.3 percent as against 4.1 percent in the two previous months. Taken as a three-month period December-March, the figure was 4.42 percent. This is approximately the same as the figures for the three first months of last year, which show the same tendency. That is, in January and February the figure ranges between 3.5 and 4, and falls under 1 percent in March. This is due to fluctuations in the prices of several consumer goods, especially fruits and vegetables.

During the first three months this year, several slight fluctuations were observed in the prices of medical services. This is a summary of all these.

[Ndoja] What is the Meksi government doing to preserve an acceptable level of inflation?

[Meksi] A rigorous implementation of agreements with the IMF and other international institutions with the strictness of an economic policy that aims at advancing the economy and the welfare of Albanians.

[Ndoja] What would you say regarding the unpleasant relations with the trade unions?

[Meksi] The government has a budget approved by parliament, with which it acts. I would like to say that from 1992 on, salaries have increased more than inflation has. Last year, we increased salaries twice, by 30 and 10 percent. The second time this was done at a time when inflation was only 15 percent.

This year, next month, a 10-percent increase is envisaged, aiming at some more improvements for teachers, and they know this from the education trade union. If possibilities are created, depending on the course of the financial year, at the end of the year there will be another increase, just as in previous years. However, this will always be done according to revenue. The government cannot distribute money that it does not have. Otherwise, it will be obliged to address special conventional strata of the Albanian state, the government employees, and reduce their salaries or not give them money at all so that others can have more. Vainly distributing money and causing inflation means that you seem to have received more money, but with this sum you can buy only the same amount of goods you bought two months ago, if the same policy is continued. I hope that it is clear to everyone that this is undesirable.

[Ndoja] Do you hope that an acceptable line with the trade unions will be found?

[Meksi] I hope it will. Efforts continue within the possibilities of the state and according to the individual circumstances of every branch of social life and government employees.

Turkish Defense Minister Promoting Military Ties

TA1104095995 Ankara TRT Television Network in Turkish 2010 GMT 10 Apr 95

[Announcer-read report over video]

[FBIS Translated Text] National Defense Minister Mehmet Golhan has started his contacts in Albania. According to reports from Anatolia Agency, Albanian Defense Minister Safet Zhulali received Golhan, who arrived in Tirana this morning in a bid to promote the military ties between the two countries. Golhan will meet with Dr. Sali Berisha, the Albanian president, tomorrow and will also conduct a study tour of the military installations in Berat, south of Tirana.

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Zhelev, Armenian President Sign Friendship Treaty

AU1004181595 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 10 Apr 95

[FBIS Translated Text] On 10 April in Sofia, Bulgarian President Zhelyu Zhelev and Armenian President Levon Ter-Petrosyan signed a treaty of friendship and cooperation between Bulgaria and Armenia and nine additional bilateral agreements on finance, trade, transportation, agriculture, and law, thus marking the beginning of the official part of the Armenian president's visit to Bulgaria.

Those documents lay the legal foundation of relations between Bulgaria and Armenia, President Zhelev said in a brief speech. Now it is the businessmen, private and official, who should become active.

This is the legal foundation that will regulate our economic relations, the Armenian president added.

Prior to signing the documents, members of the Bulgarian and Armenian delegations held talks at the Boyana residence. Before their talks Presidents Zhelev and Ter-Petrosyan held a private meeting.

Article Condemns Russian Marshal's NATO Threat

AU1004114895 Sofia DEMOKRATSIYA in Bulgarian 5 Apr 95 p 3

[Article by Strakhil Georgiev: "Kaulbars-Kulikov Again Threatens Us"]

[FBIS Translated Text] In a Sofia newspaper Marshal Viktor Kulikov, former commander in chief of the Warsaw Pact United Armed Forces, openly threatened our state that if it joins NATO it "would suffer great economic difficulties." The former commander in chief, now adviser to Russian Defense Minister Grachev (a marshal is an adviser to a general?), does not mince words: NATO should dissolve itself because there no longer is a Warsaw Pact. The East European states should not dare even to come close to NATO, because.... There are more direct threats: If Poland and Bulgaria ignore the Russian ban they would not receive a single gram of fuel or a screw for their weapons.

So, where does your shoe hurt, Comrade Marshal? You do not appear to be concerned with the fact that Russia owes us $100 million, and for years has been refusing to pay its debt, even in the form of weapons and spare parts. You do not appear to be concerned with the fact that one MiG-29 costs twice as much as a repaired F-16. However, you are concerned with the fact that we want to join NATO without the written permission of the former Warsaw Pact commander in chief. Apparently, Comrade Marshal still lives in 1975. He still dreams about the "Shield" and "Fraternity in Arms" joint maneuvers, where in a uniform formation we used to defeat the NATO enemy. Naturally, in a theoretical manner, with maps on the desks.

However, the honesty of the Marshal is a positive factor. It shows how the Russian military leadership is viewing Bulgaria's attempts to guarantee our national security—namely, we still appear to be a vassal, condemned to rotate permanently in an orbit around Russia, occasionally subjected to the carrot-and-stick treatment in order to prompt us in the right orbit.

In precisely the same manner some 108 years ago the infamous General Kaulbars toured our country and openly conducted propaganda against the Bulgarian prince and government. He even promised all the gold in the world if we would agree to become a Russian province across the Danube.

Thank God, at that time we had Stefan Stambolov, Zakhari Stoyanov, and the "courageous captains of our Army," as poet Ivan Vazov put it at the time.

And today? Why has nobody reacted to Kulikov's statement? Why has no one reminded the Russian diplomats that we are a sovereign state?

Should we continue to pay deep respect to the political racket of Russian Defense Minister Pavel Grachev, who openly threatens the West that Russia will stop implementing the Conventional Forces in Europe Treaty if NATO expands to the east?

Official Discusses Future of Kozloduy Reactors

AU1004115795 Sofia TRUD in Bulgarian 5 Apr 95 p 6

[Staff report: "We Ask $200 Million From European Bank for Kozloduy's Fifth and Sixth Reactors"]

[FBIS Translated Text] On 4 April Nikita Shervashidze, chief of the Committee on Power Supply, met journalists and said that we will send to the European Bank for Reconstruction and Development a letter in which we will request a credit of $200 million.

If the amount is received it will be used for the reconstruction and modernization of the two 1,000-megawatt reactors of the Kozloduy Nuclear Power Plant. The goal is to make the reactors function in a more stable manner at their full capacity. According to Mr. Shervashidze, they are at present being utilized at 65 percent of their capacity.

On 4 April at a special meeting of the Committee on Power Supply, the U.S. company "Stone and Webster" proposed several variants on shutting down the four 440-megawatt reactors. Mr. Shervashidze said that by the turn of the century we must shut down the first and second reactors. The projected 25-year life of the first reactor expires in 1999. A characteristic of the Kozloduy Nuclear Power Plant is that its reactors can be shut down only in pairs. The third and fourth reactors have the chance of functioning until 2005.

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Mr. Shervashidze said that according to the law, five years before a nuclear reactor is shut down, plans on burying it should be ready. The expanded meeting of the Committee on Power Supply liked two of the U.S. company's proposals. The first was to stop the electricity production of the first and second reactors, and leave the nuclear fuel in the reactors. They could remain in this state for 10-12 years. The second variant involved dismantling the reactors and cleaning them. The two variants could be applied simultaneously to both pairs of the 440-megawatt reactors.

By 7 April "Energoproekt" will present to the Committee on Power Supply the plans on unfreezing the construction of the Belene Nuclear Power Plant.

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Klaus on EU, NATO, U.S.-UK Relations

AU1004162095 Prague DENNI TELEGRAF in Czech 8 Apr 95 p 3

["Regular" interview with Czech Prime Minister Vaclav Klaus by Vaclav Musilek in Prague on 7 April: "Europe Does Not Want To Inordinately Anger Russia"]

[FBIS Translated Text] In a regular interview of our daily with Prime Minister Vaclav Klaus, which we bring to you in the Saturday issue, we are going back to his visit to the Netherlands. We also mention the tax contemplations echoed from New Zealand and examine the relations between Great Britain and the United States.

[Musilek] On 6 April, you made a one-day visit to the Netherlands. How would you briefly assess this visit and the talks with the Dutch prime minister?

[Klaus] It was important for us to meet with the new Dutch administration. After the elections last May, it took three months before a rather unusual coalition was formed, and it has ruled in the Netherlands ever since. It was important for me to meet them, to see them, and to hear their views to try to determine how these views differ, particularly from the vantage point of the European integration processes, from the position of the former administration. First, I believe that the coalition is not completely united but, rather, has coalition problems identical to ours. They certainly are not smaller. According to what I, as prime minister, can ascertain, if there is a shift, it is definitely toward a more pragmatic view of the EU than that of its predecessor.

[Musilek] Mr. Prime Minister, possible dates of the entry of other countries into the EU are again a subject of discussion, mostly to the effect that no date can be determined today. Do you believe that the deadline of the end of the millennium remains plausible for us?

[Klaus] We have tangible objectives ahead of us, and one of them is the application for membership in the EU. Another objective, not ours, but another fact of life is the intergovernment conference that will undoubtedly set both new internal rules for the operation of the EU and basic limits for its expansion. Well, and the third gradual step is, after this conference, to start the Czech-European Union talks on entry. I do not set myself any other goals, and my only objective is that there is no long and unnecessary intermission between the conclusion of this conference and the beginning of the talks. In two years, we can discuss where these negotiations will lead.

[Musilek] During the visit of the Czech delegation to New Zealand, the question arose of complete abrogation of income tax proposed by Roger Douglas, father of the economic reform movement. Czech National Bank Governor Josef Tosovsky said that he wants to let this idea run through his mind. If you let it pass through your mind, what will be your conclusions?

[Klaus] Well, first, I would say that it was a standard polite answer on the part of Mr. Tosovsky and does not have any immediate connotations. I believe that we must differentiate between a course of a trend and a definite state. I know Roger Douglas personally and very well, I have met with him many times, and I believe that our view on all these issues are very, very close, and the reforms in New Zealand and the Czech Republic have been compared frequently. I would say that, if we speak of trends, we agree. A reduction of direct taxes, to which the income tax belongs, has our definite yes, and a relative rise in the indirect taxes, like the value-added tax or the consumer tax, also has the affirmative. Whether it is to end at a zero level and whether this could happen in the foreseeable future is an entirely different question.

[Musilek] Mr. Prime Minister, it seems that the relations between the two largest Anglophone countries, i.e. Great Britain [as published] and the United States, are not exactly idyllic. What, would you say, is behind it? Is it the difference in the perception of politics by the Conservative Party in Britain and the Democratic Party in the United States?

[Klaus] I would not dramatize the differences exposed in connection with the English internal affairs. Otherwise, I would say that no major differences on global issues exist between these two countries, and the short-term differences in tone should not be considered a profound, far-reaching problem; it is a matter that I would not dare try to analyze.

[Musilek] It is of interest to us that they differ in their opinion, for instance, on the expansion of NATO. While the Americans advocate an expeditious expansion of NATO, Great Britain would prefer negotiations and maintaining good relations with Russia. Will you discuss our conceivably joining NATO with President Clinton during your visit?

[Klaus] Certainly. I would say that it has two dimensions—one is the dimension of relations with Russia, and the other one is Euro-American. If we emphasize the issue of relations with Russia, it is obvious that the European countries, which are closer to Russia than the United States is, do not want to inordinately anger Russia. Therefore, they comment on these things much more carefully. This is quite understandable from the geographical and geopolitical views. I do not judge whether it is good or bad. The United States goes on, and therefore it cannot feel this problem so strongly. If we emphasize the Euro-American dimension of the problem, it is obvious that the United States wants to reinforce its position in Europe, and from this point of view, it is better to have in NATO some former communist countries, which clearly emphasize their Atlantic orientation, and we certainly belong among them. On the European side, however, the tendency is stronger that Europe should settle this on its own, and that is the reason for somewhat different views.

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Army To Purchase 72 Fighter Aircraft From Aero

AU1004163495 Prague LIDOVE NOVINY in Czech 8 Apr 95 p 2

[Unattributed report: "The Army Will Buy 72 Aircraft From Aero"]

[FBIS Translated Text] Prague—The Ministry of Defense has signed a letter of intent with Aero Vodochody, whereby it confirms its interest in the new L-159 aircraft. The firm is to supply the Army with a total of 72 of these fighters. The Army should sign a guaranteed contract with the management of Aero on the supply of the machines next week, it has been announced by Nova television.

The new aircraft should cover two-thirds of the needs of the Czech fighter force. The U.S. firm Rockwell International Corporation is to participate in equipping the aircraft with avionics. This means that the board systems will be compatible with NATO aircraft.

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Parliament Overrules Presidential Veto

AU1004133295 Bratislava NARODNA OBRODA in Slovak 6 Apr 95 pp 1-2

[Article by Ivan Samel and Zita Sujova: "Peter Weiss: Law on Slovak Information Service Another Brick in Road Toward an Authoritarian Regime"]

[FBIS Translated Excerpt] Bratislava—The opening part of the sixth meeting of the National Council of the Slovak Republic [NRSR] was taken up by a dramatic debate on its agenda. The deputies rejected the proposal that parliament ask Slovak Television to relay its meeting live. Likewise, they did not endorse the proposal that the meeting discuss a report on the course of privatization and the bill on conflict of interests. Pavol Koncos (Common Choice) proposed that the first item on the agenda be an explanation from deputy Jan Slota and Minister of Education Eva Slavkovska of their participation in events glorifying the fascist Slovak state and its president Jozef Tiso, which, according to Pavol Koncos, damages Slovakia's good name. In his opinion, Eva Slavkovska should also resign from her post. Deputy Vitazoslav Moric, of the Slovak National Party [SNS], said in response that he holds President Tiso in esteem. While Jan Slota admitted that not everything in the first Slovak state was in absolute order, he denied that it was a fascist state. [passage omitted] The only proposal for amending the agenda that the deputies approved was that of Jan Borovsky, of the Association of Workers of Slovakia [ZRS], to include in the agenda the dismissal of the chairman of the NRSR Mandate and Immunity Committee. This post is currently held by Miroslav Kocnar [who recently announced his decision to leave the ZRS group in parliament].

After approving the agenda of the meeting, the deputies started discussing the amendment to the law on the Slovak Information Service [SIS], which President Kovac had returned to parliament. The president's reasons for returning the law were explained by Jan Findra, director of his office. He rejected the accusation that, by returning laws, the president was destroying [destruuje] parliament and slowing down the development of democracy. [passage omitted]

Jan Danko, of the Movement for a Democratic Slovakia [HZDS], who acted as the parliamentary committees' joint rapporteur, said that the president's arguments were evidently unconvincing. The transfer of power to appoint the SIS director should only eliminate a disproportion and move Slovak legislation closer to the legal systems of other European countries.

The first to speak in the debate was Prime Minister Vladimir Meciar, who described SIS's activity thus far as deformed and mentioned a number of its activities that were directed against him or other HZDS personalities.

The prime minister's speech triggered a wave of factual remarks, mostly from opposition ranks. [passage omitted]

Several deputies endorsed the president's proposal that the special parliamentary body for supervising SIS be supplemented with representatives of the opposition.

In the opinion of Ivan Simko, of the Christian Democratic Movement [KDH], the key issue is in which direction our secret service will evolve. The composition of the special supervisory body "demonstrates that party interests are being placed above state interests," Simko said. Michal Bencik, of the Party of the Democratic Left [SDL], warned against disruption of the overall balance of power in the state and the virtual elimination of parliament from the control of SIS. Other deputies also highlighted this circumstance. Ladislav Pittner (KDH) warned that a secret service that is not under control could be used not only against the opposition, but also against those HZDS deputies who might later change their views. According to Peter Weiss (SDL), the dispute is about the nature of democracy and the method of exercising power. According to his words, the amendment to the law on SIS is another brick in the road toward an authoritarian regime. In the opinion of Anton Hrnko, of the Democratic Union [DU], those who will vote for the amendment will join the ranks of those who participated in the extinction of democracy in Slovakia.

A tumultuous reaction was triggered by the speech of Milan Knazko (DU), who, referring to the HZDS deputies' demonstrative display of their majority, literally said: "You would not be sitting here without the support of Slota's Neonazis." [passage omitted] Vitazoslav Moric noted that "only a dummy can call SNS deputies Neonazis," adding that "the only Neonazi in this parliament is Mr. Knazko." Frantisek Javorsky (KDH) asked the Prosecutor General to investigate whether Vladimir Meciar's speech was not in breach of Law No. 102 on official secrets. All opposition proposals to amend the president's powers and the composition of the SIS special supervisory body were turned down, and the law on SIS as a whole was approved in the form in which it had been amended on 6 March 1995. The law's passage was supported by 81 of the 130 deputies present.

The debate on the second of the three laws the president had returned to the NRSR—the law on the stay of foreigners on the territory of the Slovak Republic (passed on 9 March 1995)—was opened by Jan Findra, head of the Office of the President of the Slovak Republic. The government coalition deputies did not accept any of the president's and the opposition's objections. The law's passage was supported by 81 of the 124 deputies present.

The sixth NRSR meeting continues today with a debate on the so-called jurisdiction law.

Poll on Confidence Level in Various Institutions

AU1104094095 Bratislava NARODNA OBRODA in Slovak 6 Apr 95 p 3

[Article by "(ja, mh)": "Confidence According to a Public Opinion Poll: Most in the President, Least in Television"]

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[FBIS Translated Text] At the end of March, the FOCUS Agency conducted a public opinion poll in which it asked "To what extent do you trust the following institutions?" Compared with November, the citizens' confidence in all of them has declined quite considerably, with the exception of the president, who, despite a series of more than critical articles about him in certain newspapers in March, continues to enjoy the confidence of two-thirds of citizens. This survey also responds to the views expressed recently that confidence in the president is declining or is very low.

According to a special poll on the "presidential issue," the majority of respondents think that the president is contributing to preserving and promoting democracy in Slovakia, that he is trying to be a good president for all citizens, that he is contributing to creating a good image of Slovakia abroad, and, at the same time, that he is neither succumbing to the influence of the opposition nor is yielding to the pressure of the governing coalition and is not exacerbating conflicts by his conduct.

The Slovak Constitutional Court and Slovak Radio come next in the poll. Only half of the respondents currently trust the National Council of the Slovak Republic [NR SR], while even fewer trust the government and Slovak Television, which has lost 11 percent of its supporters.

In another survey, the respondents expressed their understanding for the "Alarm" [a statement issued in protest against the proposed increase in value-added tax on foreign-owned publications] carried by almost all of the Slovak dailies on 6 March. All of the data are given in percent.

	Mar 95	Nov 94
NR SR		
Yes	51	57
No	41	38
Do not know	8	5
President Kovac		
Yes	66	67
No	30	31
Do not know	4	2
Slovak Government		
Yes	44	52
No	51	42
Do not know	5	6
Constitutional Court		
Yes	55	61
No	25	25
Do not know	20	14
Slovak Television		
Yes	40	51
No	52	44
Do not know	8	5
Slovak Radio		
Yes	54	60
No	35	35
Do not know	11	5

The Majority of Respondents Are Alarmed by the Trends in Freedom of Speech

The text of the "Alarm" at the trends in freedom of speech and the press, which was published recently by the majority of Slovak dailies, elicited conflicting responses. The FOCUS Agency tried to quantify the approval and disapproval expressed in a public opinion poll carried out during the last week in March.

—53 percent of the respondents (the sum total of "definitely yes" and "rather yes" replies) consider the concerns about developments to be warranted;

—27 percent (the "rather no" and "definitely no" replies) reject the concerns;

—20 percent did not know.

The concerns are somewhat higher among respondents in the group between ages 18 and 54; they also increase with their level of education (40 percent among respondents with an elementary education, 65 percent among university-educated respondents). Most concern was expressed by respondents from Bratislava (69 percent); it declines toward the east. And, of course, it differs considerably depending on the daily this or that respondent reads. Readers of the daily SME feel the most concern (74 percent), while the least concern is felt by the regular readers of SLOVENSKA REPUBLIKA (24 percent). The majority of its supporters are satisfied with the current situation (68 percent).

Social Reform Program Expected To Fail

95CH0160A Bratislava TREND in Slovak 1 Feb 95 p 14A

[Article by Lubos Jurina: "The Deadline for Social Reform, as Announced in the Government Program, Will Probably Not Be Met"]

[FBIS Translated Text] The more the measures in the social sphere are adapted to short-term political interests, the greater can be the problems they can cause in practical life.

This is also confirmed by the program announced by the government of V. Meciar. In this program, for example, some items sound attractive, such as the government guarantee "of achieved entitlements by citizens in social security, including the retirement age, gradually earlier old-age pension entitlements, and the balancing of the standard of living for retirees in terms of other groups of citizens."

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The promises of the Meciar cabinet are in conflict with the trends in a demographically aging Europe, where efforts to raise the limits of the retirement age prevail. A gradual increase in retirement age was also anticipated by the Concept for the Transformation of the Social Sphere in the Slovak Republic of 1993, the author of which was Vojtech Tkac, the then and now state secretary of the Ministry of Labor, Social Welfare, and Family Affairs for the Slovak Republic. The final goal was to raise retirement age to 65 years for men as well as women. Currently, men retire at 60 and, depending on the number of children to be educated, women retire at between 53 and 57 years of age.

In the Czech Republic, the government intends to advance the retirement age for men to 62 years of age and for women to 57 through 61 years of age, depending on the number of children, by the year 2007. However, the reaction of Czech opposition politicians as well as trade union officials confirms that such a solution requires political courage. The Trade Union Chamber has announced a series of protest meetings.

Silvio Berlusconi, former Italian prime minister, also encountered resistance from trade unions toward the end of last year as a result of a similar initiative.

The efforts by the Slovak Government to evade political risk and to preserve the status quo could, in the long run, result in a much worse situation.

Delegate Julius Brocka, former minister of labor, social welfare, and family affairs, recalled the demographic financial aspects in a parliamentary debate: "Given the current development of the population in the Slovak Republic, there will be a 13-percent increase in the number of pensioners by the year 2010. On the other hand, the decline in the number of productive citizens, with no change in legislation, will result in a decline of revenue flowing to the social insurance scheme which will be 26-percent lower than social security expenditures."

If the Meciar government does not intend to raise the retirement age in the upcoming four years, this exerts pressure on subsequent cabinets to raise social security premiums after the year 2000 or to increase taxes so that the state could cover the social security deficit. Another possibility might even be the disintegration of the social security system.

Roman Kovac, former deputy prime minister and delegate of the Democratic Union, says that "the social portion of the government program is nevertheless reminiscent of the undoubted efforts by the authors to fashion a program declaration of the Ministry of Labor, Social Welfare, and Family Affairs. The government social program should contain the intentions of social policy in the area of education, transportation, state support for citizen initiatives, charities, foundations, and similar provisions."

Nevertheless, members of the Committee for Public Health and Social Affairs of the National Council of the Slovak Republic recommended the social portion of the program proclamation be approved. In comparison with the portion devoted to public health, they stated that it was "better by at least 80 percent."

The program declaration is based on the Concept for the Transformation of the Social Sphere of the Slovak Republic by Vojtech Tkac (details were contained in TREND, No 10, 1994). It makes no secret of the ambition to create conditions leading to a definitive departure from state paternalism, which is not capable of guaranteeing a better degree of satisfying the social requirements of the citizenry.

The future social system is to stand on three fundamental pillars:

- Social insurance, which is to compensate for the loss of wages by the insured in the event of illness (hospital insurance) or upon the attainment of post productive age (old-age insurance). This subsystem also includes supplemental old-age insurance. The government promises that, in the immediate future, it will submit legal modifications pertaining to this aspect. Since 1991, this will be the seventh proposal of a law on pension funds which, considering their importance in the capital market, have become the object of political interests.
- State social support within the framework of which the state budget will be used to support low-income and socially dependent families in society-wide desirable activities—in the raising of children, their education, etc.
- Social assistance, aimed principally at dependent citizens who are in social need and who are poor. For the most part, this will involve temporary assistance, guaranteed by the state. However, this subsystem also counts on the active participation of communities and towns as well as other nonstate institutions. Part of the social reform will also be an extensive reform of work relationships, which anticipates a new legal modification of the Labor Code, dealing with the public service sector, including employees of communities and towns and accident insurance.

In contrast to previous concepts within the framework of "good relationships with the trade unions," efforts to constitute enterprise councils which would communicate with employers in the name of employees were abandoned. On the contrary, the government "will prepare an amendment of the valid labor code, within the framework of which we shall increase the authorities of trade union organs and organizations in their participation in enterprise activities, along with inevitable changes in collective bargaining and its liberalization."

However, there is no talk about participation by those employees who have not created a trade union organization.

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"The sketched-out goals and procedures are in harmony with the notions that have been known to the trade union public for several years," noted Igor Liptak, who is the director of the Social Insurance Facility.

According to I. Liptak, the success of the indicated transformation anticipates a further workup of its concept so as to specify some general and proclamation goals.

It is also necessary for the debate to pin down the timing schedule. In the program declaration, the government pledged to prepare the legislative foundations for the transformation of the social sphere—proposed laws on social insurance, on state social support, on social assistance, on supplemental old-age insurance, and on accident insurance; this was to be done in the first half of 1995. Even if the government succeeded in this endeavor, it will hardly be able to fulfill the second portion of its undertaking: "to secure the decisive effectiveness of the new pillars of the social architecture as of 1996."

Even now there is already talk of deferring the start of the social reform to 1 January 1997. The reason, among others, is also the technical-organizational difficulty of preparing the pay rates of the new system of payments, something for which the Social Insurance Facility will require at least a year to do.

The weakest spot in the social part of the government program declaration is, undoubtedly, the employment policy. The ambitious undertaking that "the measure of unemployment in 1995 will not exceed the level of 15 percent and will be gradually reduced in a subsequent period to a level of less than 10 percent" is not based on any specific point.

Question marks also remain with regard to the announced "new concept of employment, the labor market, management, organization, and the institutions of the labor market." There is no indication as to the direction the concept would take in order to lower unemployment below the announced 10-percent level.

In the interest of the social transition of its steps, the third Meciar cabinet states that "the social partnership, social participation, social dialogue, and social conciliation" form the basis of the "economic and social reform and prosperity in the Slovak Republic."

To its social partners, it offers a new tripartite model, which could render their cooperation more effective. According to V. Tkac, the tripartite advisory organs will be engaged in preparing the negotiations along specialized lines. At the highest level, at meetings of the Economic and Social Agreement Council, details would not be debated, but political decisions would be made.

Moreover, the social partner is being offered the opportunity by the government to participate directly in the creation of legislation. According to V. Tkac, it will be necessary to rework approximately 1,200 labor-code standards or about one-third of the appropriate legislation. There are a minimum of 300 regulations which have been in effect since 1950.

The offer to participate directly in the legislative process does not excite some of the trade union leaders—the Confederation of Trade Union Associations of the Slovak Republic (KOZ SR) would be taking over coresponsibility which is not relevant for it. The legislative process belongs to the jurisdiction of the state, and if trade unionists and employers would wish to fully participate in it they would have to remodel their expert base from the ground up. The Association of Employer Associations and Trade Unions of the Slovak Republic would be virtually starting from zero in this regard.

The program proclamation brought about sharp polemics within the trade unions. The Parliamentary Club of the socially oriented representatives of the KOZ SR [illegible]s critical of the lack of specificity in the declarati[illegible]ecause "the rubber provisions create room for de[illegible]tism under the cover of lofty ideas." The pro-Meciar leadership of the Trade Union of Miners, headed by its chairman, Marian Mesiarik, in turn characterized the position of its Social Democrat colleagues as being "a bucket of dirty water thrown at the Trade Union Confederation." The comprehensive picture of the internal situation within the KOZ SR is completed by the possibility that the numerically strongest Kovo Union, which has already stopped paying dues to the confederation, might withdraw from it.

The debatable ability of the leadership of the KOZ SR to guarantee social conciliation is by far not the only risk on the way to fulfillment of the social portion of the government program. The most important question is its more detailed workup with a realistic determination of the time frame so as to create the foundation for the application of accepted theoretical points of departure in practical terms.

Problems, Needs Seen by Air Corps Commander

95CH0164D Bratislava REPUBLIKA (OBRANA supplement) in Slovak 14 Jan 95 p 5

[Interview with 3rd Army Air Corps Commander Jozef Pivarci by Jozef Ziak; place and date not given: "Pilots, the Country's Most Expensive Men"]

[FBIS Translated Text] *In every modern army the air force is the most effective, but at the same time the most costly, component. It is no different in the Army of the Slovak Republic. More about the present condition, but also the near future, of the air force in the interview with the Commander of the 3rd Army Air Corps and Air Defense Colonel Jozef Pivarci.*

[Ziak] The army's current dismal financial situation also affects the air force, especially pilot training. What solution to this situation do you see in 1995?

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[Pivarci] In view of the financial capability of the state and the army, we had to accept several measures which would assure pilot training at the minimum level. They cannot all be given full training, and so the best solution we see is to divide pilots into three categories.

[Ziak] Could you explain what you envision under the term categorization of pilots?

[Pivarci] We accepted the concept of maintaining full training of pilots on every type of combat aircraft at the strength of one flight, with an adequate coefficient of 1.2 pilots per aircraft. At present, this is the only way we can insure a qualitative level of readiness of a certain number of pilots. For the first category of pilots we increased flying hours to 70 on a combat jet and 20 hours on a trainer. In other words, 90 hours a year on a jet aircraft. That is basically more than last year, but the same as during the federation. It will also change the qualitative use of flying hours.

The second category will be pilots currently assigned to squadrons, corps, and the air force staff. For them, in view of their present experience and training, 20 flying hours on a combat jet and 20 hours on a trainer has to suffice. To this must be added 20 hours on propeller planes in flying clubs, that is, altogether 60 hours. It is assumed that with this number of hours we shall succeed in maintaining their present proficiency as pilots.

[Ziak] These are two categories, but what about the remaining category of mostly the youngest and least experienced pilots?

[Pivarci] Pilots are the state's most expensive men. Considerable financial means have been invested in their training. Even if the present training capacity of the army is lower, it would be unwise to have them stay away from flying altogether. Therefore, we want to keep them at the minimum level of proficiency.

[Ziak] Have you already thought about how to achieve that?

[Pivarci] These pilots will train on propeller planes in flying clubs, undergo theoretical training for successfully passing tests for commercial pilot certification and engage in intensive study of the English language. Apart from that we want to use them for air traffic control, so that employees of this service would be able to take their turn in language and specialized courses and thus become qualified for civilian air traffic control. This is also necessary because in accordance with intergovernmental agreements, we shall gradually convert to a civilian system of air traffic control under the rules of ICAO over the entire territory of Slovakia. Approximately one-sixth of the pilots will be included in this category.

[Ziak] The air force also has a considerable problem with the lack of money for repairs and spare parts.

[Pivarci] For the second year in a row, practically no aircraft are being repaired, with the exception of a few in the Trencin aircraft repair facility. We were not allocated the requested funds for repairs. This had an adverse effect on the airworthiness of our equipment. There is even a lack of money for spare parts. This also limits the activity of the military aircraft repair facilities and engineering sections of the squadrons. If this unfavorable condition in allocating finances continues, it can happen that at the end of 1995 the inventory of usable aircraft will be very low.

[Ziak] Colonel, lately there has also been much discussion about the system of training the new generation of pilots. What is your view of the current training system?

[Pivarci] This problem is very complicated. It requires a really deep analysis of the current state of the training of military personnel and the needs of the army. We must establish a new course of military service (career) and a whole lot of other factors, and only then pronounce the final verdict. My personal opinion is that the current training of personnel with a high school or college education is unnecessarily long (it lasts four to five years), and inefficient, that use is not made of the level of education achieved in civilian life, on the basis of which the training of needed personnel could be substantially shortened. But I do not want to jump the gun and tout my theories. These days, there are already discussions by the involved officials in the Ministry of Defense, General Staff, and military schools, who are supposed to develop—I believe they will—a new system of training military professionals.

[Ziak] What do you personally consider the most important task for the air force in 1995?

[Pivarci] To accomplish, at least to the extent which I mentioned, the task of training air force personnel without any air accidents, and to stop the process of grounding aircraft because of lack of money for repairs and spare parts. But most of all, to teach people to respect work, both their own and that of their colleagues who are creating values for our young state, so that people learn to manage with what we have—these are still large unused resources. The chief of the General Staff is right in saying that all of the unused internal capacity of the army will be exhausted this year. That also applies fully to the air force.

(Editor's comment: Although Colonel Pivarci is commander of air corps and air defense, we kept the interview focused on the problems of the air force. The air defense has, of course, many problems as well. But those will be discussed in a separate interview in the future.)

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Russian, Hungarian Experts on NATO Expansion

AU1004162395 Budapest MAGYAR HIRLAP in Hungarian 8 Apr 95 p 3

[Unattributed report on interview with Viktor Kremenuk, deputy head of the United States and Canada Research Institute of the Russian Academy of Sciences in Moscow, and Ferenc Gazdag, director of the Hungarian Strategic and Defense Research Institute; place and date not given: "Experts on NATO's Expansion—Russia Is Seeking New Allies"]

[FBIS Translated Text] The broadening of NATO will take place irrespective of Russian opposition, because Moscow is unable to avoid this, Viktor Kremenuk told MTI [Hungarian News Agency]. According to Kremenuk, the expansion of NATO will, as a whole, have an unfavorable effect on the security situation in general. To prove this, the well-known Russian foreign policy expert said that Moscow would probably look for new allies, and in addition to Iran, he mentioned Iraq and North Korea. Another possible consequence is that Russia will no longer feel obliged to observe many obligations, and will stick to its interests even at the expense of international security. The deal with Iran on supplying a nuclear reactor is already an example of this. On the other hand, as a result of the Yugoslav crisis, Moscow could take an even more pro-Serb and aggressive attitude.

Kremenuk also told us that he finds the possible Russian abrogation of the agreement on reduction of conventional weapons—a prospect Pavel Grachev presented to visiting U.S. Defense Secretary Willian Perry regarding the possible expansion of NATO—quite alarming. Kremenuk thinks the lack of confidence between Moscow and Washington is increasing.

The relevant NATO committee will work out the conditions of Hungary's membership by September 1995, and this document will probably detail the issues connected with the possible deployment of nuclear weapons in Hungary, Ferenc Gazdag told us. Upon their joining the NATO, Norway and Spain made it clear that they will not accept the deployment of nuclear weapons on their territory, and the NATO leadership at the time accepted this decision. However, numerous hints have been made in recent months, especially from the U.S. side, hints that make it certain that the future NATO members cannot count on similar favors.

NATO makes decisions only on the basis of a consensus, Ferenc Gazdag pointed out. If, for strategic reasons, they think it is inevitable to deploy nuclear weapons in a given country, this requires the approval of all the members. Before joining the organization, we must clarify whether Hungary will accept these burdens in such a case.

Besides, because of our geopolitical position, it is not likely that such weapons will be deployed in Hungary. However, making such a decision depends considerably on the international security policy situation and, in the given case, on the position of the Russian side, for example.

It is much more probable that, in the case of Hungary's NATO membership, major military bases will be set up. Besides, the deployment of nuclear weapons takes place with the total exclusion of the media. With few exceptions, the issue of which NATO members have nuclear weapons and where is the most strongly guarded military secret.

Besides, the accepted practice is that units and experts of the country that carries out the deployment of such weapons are in charge of defending the given base and maintaining the weapons. It is highly probable that Hungarian officers would not be trained to use such weapons, Ferenc Gazdag told us.

Slovakia Criticized for Teacher's Dismissal

LD1004210095 Budapest Kossuth Radio Network in Hungarian 1800 GMT 10 Apr 95

[FBIS Translated Text] The Hungarian Government considers the parliamentary ratification of the basic treaty with Slovakia as being of national interest. The political state secretary of the Ministry of Foreign Affairs spoke of this in the National Assembly. In response to a question from the opposition, Istvan Szent-Ivanyi said that Slovakia's temporary charge d'affaires in Budapest was called in to the foreign ministry and was asked for an explanation regarding the events during and after the Rozsnyo [Roznava] conference of the Hungarian teachers of Slovakia. A Slovak official criticized the fact that the conference was conducted in Hungarian; the headmaster of the school that was the venue of the conference was then dismissed.

According to Budapest the Rozsnyo incident contradicts the spirit of the Hungarian-Slovak basic treaty, as do recent statements of certain nationalist Slovak politicians.

Railway Workers Call For 'Tougher' Strike

AU1004184395 Paris AFP in English 1759 GMT 10 Apr 95

[FBIS Transcribed Text] Budapest, April 10 (AFP)—Railway workers' unions called a strike from April 19 to last for at least 72 hours to press for a new collective contract with the management of state Hungarian Railways (MAV), they said Monday [10 April].

They said that their old contract expired at end-March and since then, they have had to work under orders from the management representing disadvantageous payment and work conditions.

Daily talks between unions and management for a new collective contract since last week brought no results, even though both sides expressed willingness to reach accord on a mutually advantageous contract.

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During the latest, 36-hour stoppage in December, railway workers provided basic services with 25 percent of the trains running.

This time, however, organised MAV workers want a tougher, longer and more determined strike, union leaders told AFP.

Controversies Over Constitution

95P20701A

[FBIS Media Note] Controversies concerning the drafting of a new constitution and the appointment of a new judge to the Constitutional Court have been featured in the Hungarian press.

Although little publicity had been given to the preparation of a new constitution to replace the constitution of 1949—which has been heavily amended, especially under the first postcommunist government during 1990-94—Justice Minister Pal Vastagh recently announced that the "draft of the new constitution is ready" and the government will "soon" submit it to the legislature, reported the daily MAGYAR NEMZET on 28 March. Reacting with surprise and dismay, the opposition Alliance of Young Democrats (Fidesz) suggested that the government has avoided broad political participation in the process of writing the document. "It would have been precisely the task of the preparation committee," declared Fidesz parliamentary group leader Jozsef Szajer, "to take part in the preliminary drafting of the constitution, rather than to discuss a draft prepared by the government." However, he said, it is "comforting" that the Alliance of Free Democrats (SZDSZ)—the junior partner in the coalition, whose concurrence is needed for the two-thirds parliamentary majority required to change the constitution—has indicated that it does not want to make constitutional changes unless these have support beyond the governing "duo," MAGYAR NEMZET reported.

The daily NEPSZABADSAG on 30 March reported that there is also controversy over one of the two judges the government wants to nominate to the Constitutional Court, which now has nine judges (as a result of the resignation of one of the ten judges appointed during the system change in 1989-90). The 1989 compromise between the outgoing communists and the new democratic parties called for the Court to be expanded to fifteen members under the 1994-98 parliamentary cycle, but a constitutional amendment passed in late 1994 reduced the final number to only eleven members. The six parliamentary parties have been holding "coordination" talks on the appointments but have been unable to move from the "dead end" they reached in November, NEPSZABADSAG said. While apparently there is no disagreement over one government nominee, Constitutional Court secretary general Andras Hollo, the opposition objects strongly to government candidate Vanda Lamm, an international lawyer and the director of the Political and Legal Sciences Institute of the Hungarian Academy of Sciences. Insisting that instead of Lamm, the second new constitutional court judge should be international lawyer Janos Bruhacs, the opposition parties have vowed to block the appointment of the government candidates for parliamentary ombudsmen unless Bruhacs is elected. Although the governing coalition has the necessary two-thirds majority required to elect its candidates if and when the matter is submitted to a parliamentary vote, the situation remains a "stalemate" because the opposition has a four to two majority in the nominating committee, the paper explained.

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First News Conference by Government Spokesperson

LD1004125595 Warsaw PAP in Polish 1213 GMT 10 Apr 95

[FBIS Translated Text] Warsaw, 10 Apr—Prime Minister Jozef Oleksy would like to go to Moscow for the ceremonies marking the 50th anniversary of the end of World War II, and he expects to go, Aleksandra Jakubowska said today at her first news conference as government spokesperson when asked whether the prime minister has received an invitation.

She added that the prime minister would want to use that opportunity to meet the presidents of the United States and Russia—Bill Clinton and Boris Yeltsin.

Jakubowska confirmed that there is a new candidate for the post of Poland's ambassador to the Vatican. The prime minister will make a decision after meeting with the candidate. According to press reports, the previous candidate, Andrzej Ciechanowiecki, resigned because he was not approved by the church.

The spokesperson announced that she has been asked to work out principles for organizing press information and the functioning of the government press office. Jakubowska is also to present her opinion on the PAP and PAI [Polish Interpress Agency] agencies and the RZECZPOSPOLITA daily, which are linked to the government. She did not answer a question from a GAZETA WYBORCZA journalist on personnel changes in PAP that had been reported earlier by the paper.

Oleksy Questioned on Desire To Visit Moscow

LD1004205295 Warsaw Third Program Radio Network in Polish 2000 GMT 10 Apr 95

[FBIS Translated Text] Leszek Spalinski, spokesman of President Lech Walesa, has stated that Lech Walesa is upset by the efforts of Jozef Oleksy to obtain an invitation to the Moscow celebrations of the 50th anniversary of the end of World War II. Monika Olejnik spoke with Jozef Oleksy this evening.

[begin recording] [Correspondent Olejnik] Prime Minister, why do so very much wish to travel to Moscow?

[Oleksy] That question is badly put because this is not a matter of some or other desire. This is a piece of journalistic sensationalism.

[Olejnik] Listening to your statement on the subject of a trip to Moscow, I heard precisely such an expression, that you would like to go. Today Minister Jakubowska also said that you would like to go to Moscow.

[Oleksy] I do not know where this kind of report and this description have come from. This is a matter of words, but every word can indeed here have its significance. This happens to be an inappropriate word, since this signifies only my attitude to the invitation, to participation, which is a positive one. I have had, I have been in possession of such an invitation since 4 April, and I am considering taking advantage of this invitation, but it is understandable that this is an issue relating to the state and contacts in its name abroad. And it is obvious, it was obvious to me, that this is a matter that is subject to some sort of consultations with the president, which, well, I have so far been unable to obtain.

[Olejnik] Why have you not since 4 April informed the public that you have an invitation like this?

[Oleksy] Precisely because I felt that this must be discussed with the president. I considered that it is necessary to look at the entirety of the celebrations of the 50th anniversary of the end of the war. This is, I repeat, a momentous anniversary. It is probably obvious and comprehensible that the premier ought to discuss such an issue with the president.

[Olejnik] Why have you not discussed this issue with the president so far?

[Oleksy] Perhaps this is not an issue for public statements, an issue of an opportunity for contacting each other which did not arise [as heard].

[Olejnik] I don't understand. That means, you tried to contact the president, you were refused this opportunity?

[Oleksy] I tried, yes, and I passed on numerous signals and a request for the opportunity of further consultation, and I did not obtain it.

[Olejnik] But to whom did you pass on these numerous signals and requests?

[Oleksy] You know, there are already roads to this that are specified and that are used, and they are customarily known. [end recording]

Poll Shows Waning Support for Walesa Reelection

LD1004215395 Warsaw Third Program Radio Network in Polish 2100 GMT 10 Apr 95

[FBIS Translated Text] Aleksander Kwasniewski still has the greatest chance to win the presidential election, the Social Opinion Research Center says. It transpires from the most recent poll that the Democratic Left Alliance leader is being supported by 18 percent of the population. Jacek Kuron, with 14 percent, is in second position, and Adam Strzembosz ranks third.

The poll was carried out between 30 March and 3 April—that is, before Kuron's candidacy was announced. Support for Lech Walesa has dropped most dramatically. Last month 13 percent of those polled would have voted for the president; this month the figure is only 7 percent.

SLD's Kwasniewski Leading

WS1104115595 Warsaw RZECZPOSPOLITA in Polish 11 Apr 95 p 2

[Article by E.O.: "Election Ranking by CBOS and OBOP; Aleksander Kwasniewski on Top for Six Months"]

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[FBIS Translated Text] The most recent opinion poll conducted by the Public Opinion Research Center [CBOS] indicates that 43 percent of Poles do not intend to vote for Lech Walesa in the coming presidential election. Last November 40 percent of respondents declared their negative attitude toward the incumbent president. Every fourth respondent believes that Aleksander Kwasniewski will win this year's presidential election, even though only 18 percent of the respondents intend to vote for him and 11 percent say that they will back him up for sure.

Democratic Left Alliance Leader Aleksander Kwasniewski has been at the top of CBOS presidential rankings since last October. In October of last year, 16 percent of respondents declared that they would vote for him. Since that time the number of his supporters has increased by 2 percent. Jacek Kuron of the Freedom Union has improved his position and now occupies second place, with the support of 14 percent of respondents. In October he received only 6 percent of the votes of respondents. The popularity of Adam Strzembosz, the candidate of some rightist groupings, has increased by 8 percent since October. In April, when Strzembosz announced that he was going to run for president, his candidacy was backed by 11 percent of respondents. [Civil Rights Spokesman] Tadeusz Zielinski has just as many supporters.

However, the popularity of Lech Walesa has fallen over the last seven months. While last October every 10th respondent was inclined to vote for him in the presidential elections, in April of this year only 7 percent of respondents declared support for his candidacy.

Results of a poll conducted by the Center for Research on Public Opinion [OBOP] were very similar. Aleksander Kwasniewski, supported by 16 percent of respondents, is on top. Jacek Kuron is backed by 14 percent of OBOP respondents, Adam Strzembosz—8 percent, and Lech Walesa—7 percent.

Every fourth respondent of both research studies is convinced that Aleksander Kwasniewski will win the elections.

Whom would you most readily support in the presidential election?

	Oct 94	Apr 95
	(in percent)	
Aleksander Kwasniewski	16	18
Jacek Kuron	6	14
Adam Strzembosz	3	11
Tadeusz Zielinski	9	11
Jozef Oleksy	3	9
Lech Walesa	10	7

* * *

The CBOS poll was conducted between 30 March and 3 April on a random, representative sample of 1,145 adult inhabitants of Poland.

The OBOP poll was conducted between 1 and 4 April on a random, representative sample of 1,132 inhabitants of Poland over age 16.

Situation in PSL, Likely Presidential Candidates

WS1004115895 Warsaw GAZETA SWIATECZNA in Polish 8-9 Apr 95 p 3

[Article by Agata Nowakowska and Dominika Wielowieyska: "Whom Will the PSL Field in the Presidential Election? Pawlak Fights With His Own Opposition"]

[FBIS Translated Text] Pawlak's aides want the former prime minister to run in the presidential elections. However, many peasants prefer Jozef Zych or Adam Struzik. There are also people within the Polish Peasant Party [PSL] who talk about supporting a nonaligned candidate, such as Tadeusz Zielinski.

How To Take Some Power Away From Pawlak?

Even though his cabinet has been forced to step down, Waldemar Pawlak remains the number-one man in PSL. However, his dictatorial position is weakening. He is running the parliamentary club with the help of his trusted deputies: Franciszek Stefaniuk and Janusz Dobrosz.

The posts of two deputy chairpersons of the club are still vacant. In mid-March Pawlak suggested that they be assumed by former Ministers Leslaw Podkanski and Andrzej Smietanko. The party's internal opposition, which fears that Pawlak's people might dominate PSL, objected to the proposal. The final decisions were not taken because the club's meeting lacked a quorum.

In hopes of scaring the [former] prime minister, his opponents began collecting signatures on a motion requesting the recall of the entire presidium, including Pawlak. In fact, they would like to maintain a balance—they would let Pawlak appoint his own people to the two posts of deputy chairmen, but at the same time they would like the opposition to take over the other two posts.

Meanwhile, the PSL leader has not been holding club sessions lately. This is why the moods in the club have become more radical. Pawlak's opponents suspect that he is afraid to lose the elections to the presidium.

"We proposed holding a meeting someplace where we could quietly and without journalists discuss a couple of things, but he did not agree. We may finally collect signatures of one-sixth of the club on a motion requesting that a session be held without him. Then we

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will elect whomever we like," threatens our interlocutor of PSL. "The signatures are already being collected," he adds.

According to him, Pawlak still wants to run the club as though he were still the prime minister of a successful government: "He has not learned anything; he has failed to do his ho ework."

Opponents of the former prime minister thought that the prime minister would appreciate their generosity—for instance, the fact that Pawlak's advisers and closest aides had not paid for their boss's mistakes. Michal Strak has been elected a member of the National Council of Radio and Television for a six-year term. Franciszek Stefaniuk is still sitting on the presidium of the club.

Pawlak Not for President

A few weeks ago, one of Pawlak's aides told GAZETA WYBORCZA that the former prime minister did not rule out running in the presidential elections. "A lot depends on how this idea will be received by regional PSL activists," he added.

They have not received it very enthusiastically so far. At a meeting of the chairpersons of the PSL voivodship-level administrations, the peasants tried to persuade their leader that he should take a rest, try to boost his prestige, and set about strengthening the party.

The anti-Pawlak opposition is trying to convince Jozef Zych to run in the elections. He, in turn, is considering whether it is worthwhile to risk losing the post of Sejm speaker. The peasants argue that if Walesa is elected president, early parliamentary elections will be a sure thing. "Then the Sejm speaker will lose his post anyway. After the new elections we will have fewer seats in the parliament than we have right now. It is not at all certain whether we will have our own deputy Sejm speaker," one of our interlocutors assesses.

If they failed to persuade Zych to run, the candidacy of Senate Speaker Adam Struzik would be possible. However, the peasants add, the trouble with Struzik is that he is not very well known.

"Some deputies and regional activists are considering the possibility of endorsing a nonaligned candidate, such as Civil Rights Spokesman Tadeusz Zielinski," says PSL Sejm Deputy Jerzy Kado. "We do not want an SLD member to be elected president," another deputy explains.

"We also gave thought to the candidacy of Janusz Onyszkiewicz. However, since the Freedom Union has fielded someone else, then there is nothing left to discuss," one of the deputies confessed.

The PSL electoral convention will decide whom the party will support in the presidential elections. The convention consists of the Chief Council (over 100 people), chairpersons of the voivodship-level administrations, and parliament members. The decision may even be made as early as May.

UP Chairman Bugaj on Supporting Kuron

WS1004143095 Warsaw ZYCIE WARSZAWY in Polish 8 Apr 95 p 4

[Interview with UP Chairman Ryszard Bugaj by Igor Zalewski and Piotr Zaremba; place and date not given: "Balcerowicz Was a Desperate Move"]

[FBIS Translated Excerpt] [ZYCIE WARSZAWY] How do you like the union's duo of Kuron and Balcerowicz?

[Bugaj] If they are to complement and restrict one another, I cannot say I like it very much. If not, then it is even worse because this would mean that the Freedom Union [UW] will not support Kuron strongly enough. He won the election at the congress by only a narrow margin, even though everyone realized that he was the only person in the party who would be able to win the elections. He is a minority candidate, whereas Balcerowicz won by a vast margin. UW is becoming an increasingly more rightist-liberal party in the social sense; this has been obvious since 19 September [1993]. One of the things that has pushed the party toward this position was its oppositional activity because it turned out that the Democratic Left Alliance [SLD] was continuing its socioeconomic policy. Now another step has been taken. I do not really know where the wide spectrum of voters is that would be ready to support this direction. It is a desperate move; it narrows the list of UW's potential allies down to one—the SLD.

[ZYCIE WARSZAWY] Are you sorry for Tadeusz Mazowiecki?

[Bugaj] I think he felt he had his back to the wall; he turned some people off with his attitude toward church issues and then with the return to the idea of reestablishing the postsolidarity camp. In a way his stand was correctly considered anachronistic. Despite that, however, I do feel sorry that Mazowiecki had to go. He is not an unreasonably stubborn man.

[ZYCIE WARSZAWY] You say that UW has narrowed down the list of allies. Despite that, you want to forge a presidential alliance with this party and endorse Kuron.

[Bugaj] Now, can the Union of Labor [UP] make any other alliance? Can it give up the idea of forming alliances at all if we want to prevent Aleksander Kwasniewski or Lech Walesa from being elected president? UW is in the same situation. Of course, it would be possible to form an alliance and endorse [Civil Rights Spokesman] Tadeusz Zielinski. He would stand a better chance of receiving support from SLD voters, but his chances of obtaining support from the center would certainly be smaller.

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However, a presidential coalition is not the same as a parliamentary bloc.

[ZYCIE WARSZAWY] How do you imagine such a coalition?

[Bugaj] The UP congress has not yet made the decision. Let us assume, however, that it will endorse Kuron. He may "give up his relations to the party" ["odpartyjnic sie"] and rely first of all on his committees. He may also rely on both parties, which will determine the minimum of their joint program in the campaign.

It is not necessary to determine details of a socioeconomic policy in the presidential elections because the president should not deal with problems in this area. He exerts influence on foreign policy, the Army, and security. In addition, he must also show a certain style of representing the state.

We agree with UW on foreign policy issues, even though we are more skeptical about Poland's chances of joining Europe so soon. As far as the approach toward the political system, rule of law, and security is concerned, our joint opposition toward ideas presented by Walesa has only drawn us closer together. We are not divided by the attitude toward the church because there are many views on it within UW, and we agree with the opinions voiced by Kuron. He is independent on the church, but he is also favorably disposed toward it.

[ZYCIE WARSZAWY] What should Kuron do to obtain your support?

[Bugaj] Both candidates can take their steps. Tadeusz Zielinski might unequivocally declare that he wants to run, and this certainly makes it impossible for him to stay in office. Adam Strzembosz will probably soon realize that it is not enough to take unpaid leave if one wants to run for the highest office.

[ZYCIE WARSZAWY] What about Kuron?

[Bugaj] Jacek has made some revaluations concerning his work in previous governments. Today he admits that it was not very wise of him to say that one can become a social democrat only after capitalism has been built.

[ZYCIE WARSZAWY] He is a social democrat then?

[Bugaj] He is looking for new roads, where the starting points are values also recognized by genuine social democrats. This does not mean that I agree with all his theses. Some time ago he announced a programmatic text that included many noble but also slightly naive theses. It looks as though he believes in the establishment of capitalism consisting almost exclusively of capitalists.

[ZYCIE WARSZAWY] You attack the right wing and Walesa for the myth on social enfranchisement. You do not criticize Kuron for it.

[Bugaj] I do, but he is not using it as an instrument of social engineering. Also, all of this is still just theoretical deliberation.

[ZYCIE WARSZAWY] You and UW are in dispute over the evaluation of the so-called "reforms." Will it be easy for the delegates to your congress to accept a UW politician?

[Bugaj] No, it will not. However, Kuron has been a dissident in UW for a long time now. He distanced himself from it the moment the party merged with the liberals.

[ZYCIE WARSZAWY] You want him to further distance himself from it?

[Bugaj] If Kuron wanted to be a candidate for prime minister, he should. In this situation he can stay where he is. However, UW should not succumb to the temptation of using the campaign to advertise its own program.

[ZYCIE WARSZAWY] Kuron means a chance to stop Walesa and Kwasniewski. Is it also a chance to remodel the political scene?

[Bugaj] Kuron's election alone will not remodel the political scene. If a social movement is set up around him, this will be possible. However, the president must not exert direct influence on it.

[ZYCIE WARSZAWY] Wlodzimierz Cimoszewicz says that what is needed is a nonaligned candidate of the center left. He suggests Zielinski or Kuron. Is this the only such opinion on that side?

[Bugaj] It is the only such opinion and it is not significant in any way because it has been voiced by a disillusioned dissident. There was a time when Cimoszewicz had an opportunity to build a left wing above all divisions, but he did not seize it. Now, the SLD is determined to field its own candidate. The only thing that may be important here is the competition between Kwasniewski and Oleksy.

[ZYCIE WARSZAWY] Donald Tusk said that Kuron's interpretations of the president's tasks are incorrect; he wants to get involved in the settlement of social conflicts.

[Bugaj] Jacek does not want to intervene in specific conflicts. He wants to stimulate social activity. I would be afraid of this only if he wanted to engage in activities similar to those conducted by the Workers Defense Committee, activities that would involve ignoring still weak political establishments. However, if he is favorably disposed to a couple of social initiatives, it will probably be a good thing. [passage omitted]

'Liberal-Conservative Movement' Founded

WS1004140795 Warsaw RZECZPOSPOLITA in Polish 10 Apr 95 p 2

[Article by Marcin Dominik Zdort: "The 'Committee of 100' Wants To Establish 100 Committees in 100 Days: Czeslaw Bielecki's New Men"]

[FBIS Translated Text] *"New people who understand our complex past and will work on changing the nation's*

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mentality have to enter the political scene," stated members of the "Committee of 100," who established the Liberal-Conservative Movement [Ruch Liberalno-Konserwatywny] on Saturday. Its members do not rule out the possibility of forming a political party. The initiator of the movement is journalist and architect Czeslaw Bielecki. Its members include Gustaw Herling-Grudzinski, Wiktor Kulerski, Andrzej Olechowski, Pawel Moczydlowski, Jerzy Marek Nowakowski, Marek Nowakowski, Krzysztof Piesiewicz, Arkadiusz Rybicki, Jan Winiecki, Michal Kulesza, and Dariusz Fikus.

Correcting Macierewicz

The "Committee," which Bielecki refers to as the secular right, did not invite activists from political parties. The organizers stressed the need to introduce "new people" into the political scene who reject illusions and stereotypes, leftist and rightist alike. Each member of the new organization will have to carry out a self-lustration [autolustracja] and sign a statement that they have never done anything to harm their fellow citizens, or impair democracy and their country's independence. If anyone proves the contrary, they will leave the "committee" of their own will and give up all public functions. "This is a creative approach to correcting the mistakes made by Macierewicz [former interior minister who attempted the so-called file-checking campaign to identify people who collaborated with the secret services during communist times]," says Czeslaw Bielecki.

A Congress in Three Months

The "Committee of 100" is to form 100 regional committees over the next 100 days across the entire country. These committees will advocate a lowering of taxes, the reprivatization and privatization of state property, and the protection of citizens from the boundless power of state authorities. If that objective is not implemented in a period of 100 days, the committee will meet once again and dissolve.

If the 100 committees are formed, a founding congress will be held in three months. Until then, the activities of the movement are to be coordinated by the secretariat, members of which include Czeslaw Bielecki, Andrzej Olechowski, Marek Matraszek, and Pawel Moczydlowski.

Not a Party Yet

It is still unknown whether the Conservative-Liberal Movement [as published] will become a political party. "Many people want this to be a party. For the time being, however, it is difficult to predict how dynamic we will be," RZECZPOSPOLITA learned from chairman of the "Committee" session, Professor Andrzej Wiszniewski, rector of the Wroclaw Technical University. Wiszniewski does not rule out the possibility that during the next session of the "Committee," in 100 days, its members will decide whom they will support in the presidential elections. During the meeting, Andrzej Olechowski said that if he runs in the elections, he will not seek the "Committee's" political support.

The Republican League Resigns

The issue of the presidency raised controversy during the "Committee" session. A group of activists from the Republican League who took part in the meeting demanded that those gathered issue a statement on their support for Adam Strzembosz on that very same day. When the motion was rejected, members of the Republican League decided to not take part in the activities of the "Committee." "Refusing to support Strzembosz is a mistake, and in the situation in which Olechowski does rule out the possibility of running in the elections, the failure to take a stance on this issue may imply that his candidacy will be supported in the future," Republican League leader Mariusz Kaminski told RZECZPOSPOLITA.

Professor Adam Strzembosz, to whom Czeslaw Bielecki extended an invitation to participate in the activities of the "Committee," sent a letter in which he excused himself from attendance, explaining that he launched his presidential campaign as a candidate with no affiliation to any particular grouping.

Backed by Olechowski

LD1004210495 Warsaw TV Polonia Network in Polish 1900 GMT 10 Apr 95

[FBIS Translated Text] [Announcer] A Committee of 100, which was set up at the initiative of Czeslaw Bielecki, a journalist and architect, has set up another right-wing grouping: the Liberal-Conservative Movement [Ruch Liberalno-Koserwatywny]. The first initiative of the new party will be an action under the slogan: Citizens in support of lower taxes.

[Correspondent Robert Kowalski] The grouping, which its initiator Czeslaw Bielecki calls a lay right-wing party, has been joined by Gustaw Herling-Grudzinski [writer], Andrzej Olechowski [former foreign minister], Wiktor Kulerski, Pawel Moczydlowski, and Arkadiusz Rybicki. There are no active party politicians among them. The movement wants, among other things, the consolidation of private property and [free] market, an improvement in the effectiveness of the state, and Poland's integration into the European structures. The founders have set for themselves a deadline of 102 days to form 100 local committees. If this fails, they will dissolve the party.

[Pawel Moczydlowski, Liberal-Conservative Movement—caption] We simply want to put forward our proposals to the Polish public in order to find out whether there is a need for our party.

[Kowalski] There is no other empirical way to test whether a party will turn out to be yet another group of armchair politicians or not, Czeslaw Bielecki said. The

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Liberal-Conservative Movement will have to wait 102 days to get the result of this test.

Right-Wing Leaders Comment on 'Committee of 100'

WS1104122095 Warsaw RZECZPOSPOLITA in Polish 11 Apr 95 p 2

[Article by Marcin Dominik Zdort: "The Right Skeptical About the 'Committee of 100': Slinging Slogans"]

[FBIS Translated Excerpt] [Passage omitted]

An Isolated Right

"We are dealing with an isolated right wing without any support," claims Jaroslaw Kaczynski. In reference to the "self-lustration" [autolustracja] planned by the new "Committee [of 100]," the leader of the Center Accord [PC] says that "endowing Andrzej Olechowski with the decisive voice on lustration is a misunderstanding." Kaczynski also fears that "new people" entering the political scene via the "Committee" may be individuals who were thus far unsuccessful elsewhere and will bring only their frustrations with them. "I would prefer to see more integrated people head the 'Committee' than some of its leaders," says the PC president. He predicts that the "Committee's" lack of trust in the right wing could result in a war being waged against the strongest rightist parties, especially those that have already been successful.

Similarities With the Program of the Union for Real Politics [UPR]

According to Stanislaw Michalkiewicz of UPR, the emergence of a movement that would aim at changing the national mentality is a positive phenomenon, as long as it remains a movement and does not become a new political party.

"It is difficult, however, to not notice similarities between the postulates of the new movement and postulates that have long since been raised by UPR," said Michalkiewicz. "I find the declaration on avoiding both leftist and rightist stereotypes disturbing. After all, how can you change the national mentality without advocating any political philosophy? I am also surprised that Mr. Wiktor Kulerski is part of the 'Committee'—he is a very honorable figure, but he is rather a socialist."

No Threat to the Left

Ryszard Czarnecki claims that the "Committee" would be most efficient if it became a rightist political parlor for intellectuals. "If, however, it were to become a political force, all attempts at organizing it will fail. It will not integrate the right wing, but become yet another rightist party without great political influence or a constituency to back it. The initiative is intellectually interesting, but it will not pose a political threat to the left," predicts the president of the Christian-National Union [ZChN], who intuitively feels that the "Committee of 100" could be used as Andrzej Olechowski's election committee.

Czarnecki also refuses to accept the neutrality assumed by the "Committee." "Contemporary rightists in the West—in the United States, France, and Great Britain—win elections not only because there is no alternative economic program, but because they advocate traditional values," says the ZChN leader.

Poll on Support for Privatization

WS1104115695 Warsaw NOWA EUROPA in Polish 11 Apr 95 p 9

[Article by P.F.: "CBOS on Privatization; Support Depends on Sector"]

[FBIS Translated Text] The Polish people's approval of privatization depends on the sector of the economy that would be privatized, suggests a poll conducted by the Public Opinion Research Center [CBOS].

Nearly half of all respondents believe that banks and insurance firms should remain under state control. According to a majority of respondents, the state should also maintain universities, hospitals, elementary and high schools, as well as steel- and glass-works and power plants. Such a view is expressed by elderly people, over age 55, poorly educated, and living in small towns and rural areas.

A large majority of CBOS respondents believe that newspapers and television stations ought to be partially state-owned and partially privately owned. In this group, advocates of privately owned newspapers constitute a majority. The idea of private newspapers and television stations is most often supported by young people, under age 34.

Participating in the poll were 2,127 adult Poles.

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Military Budget for 1995 Registers Net Increase

AU1104093595 Bucharest VOCEA ROMANIEI in Romanian 1 Apr 95 p 6

[Unattributed "note": "Details About the Army Budget"]

[FBIS Translated Text] Under the headline "Details About the Army Budget," the army paper OBSERVATORUL MILITAR [MILITARY OBSERVER] publishes, in its latest issue, a dialogue by journalist Colonel Petre Bana with Colonel Vasile Corhaneanu, chief of the Financial Directorate of the Ministry of National Defense. Here is a passage from that interview:

[Bana] Compared to last year, does the budget represent a real increase or not?

[Corhaneanu] I suggest we refer to the moneys involved in their U.S. dollar equivalent. Please note that the budget for 1993 was equivalent to $364 million; in 1994, it was $709 million and in 1995 $779.2 million. In relation to the Gross National Product, the defense expenditures amounted to 2.13 percent in 1993, 2.39 percent in 1994, and 2.52 percent in 1995.

OK. We have taken note, Mr. Colonel.

Tinca Denies Reinforcing Border With Ukraine

AU1104063995 Bucharest VOCEA ROMANIEI in Romanian 1 Apr 95 p 6

[Unattributed report: "Strategic Redimensionings"]

[FBIS Translated Text] During a recent two-day visit to Suceava, Defense Minister Gheorghe Tinca said that the setting up of a new infantry unit in Mihoveni commune should not be understood as a special measure to strengthen the border with Ukraine. "All the country's borders enjoy the same attention. Therefore, one cannot say that the border in a certain area has priority over other borders. Basically, we are redimensioning our defense forces in accordance with certain modern requirements and concepts deriving from the very program of reform that is currently being applied in Romania," the Romanian defense minister concluded.

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Filipovic: Carter 'Agent' of 'Serbian Lobby'

AU1004174295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Apr 95

[Report by Jasmin Mesic]

[FBIS Translated Text] At the beginning of a news conference today, Academy member Filipovic presented the views of the Liberal Bosniak Organization [LBO] on the final resolution of the overall situation in our country, [words indistinct] for Bosnia-Herzegovina.

Foreseeing such a possible development of events, the LBO believes that the process of democratizing the authorities, which is neither simply nor easily implemented, should continue as quickly and effectively as possible. The aggressor, ethnic cleansing, and the destruction of all institutions has caused enormous disruptions to the organization of the state authorities, Dr. Filipovic emphasized.

In connection with this, the party made special reference to two issues that directly influence the possibilities singled out by Dr. Filipovic. The first was the problem of the large number of citizens residing outside Bosnia-Herzegovina and the second was creating conditions for their normal return to the country. This second issue also draws the problem of (?the reorganization) of life once these people return. The LBO emphasized that we must create a program for the country's reconstruction and introduce parliamentary rule in the true sense of the word.

As Filipovic emphasized, the LBO is soon to propose a government reshuffle. The government will, in their opinion, have the project of the country's reconstruction as its goal. The future of Bosnia lies in a law-governed state and a civic society, on which we must especially insist.

When asked by a reporter how he saw the chances of the latest peace initiative by former U.S. President Carter in Bosnia-Herzegovina, Dr. Muhamed Filipovic concluded that Carter no longer had any business in Bosnia-Herzegovina because he is an agent of the Serbian lobby. Filipovic believes that one of the reasons why Carter is again interested in returning to our country is that our Army is scoring growing successes and for this reason the former U.S. president, in conspiracy with Karadzic, has relaunched a peace initiative. We will not agree to such a role of his or to the consequences of renewed killing, Filipovic said. For this reason, the LBO will insist on isolation of Pale and [word indistinct] sanctions against Belgrade.

Filipovic believes that official U.S. policy will have to distance itself from support for Karadzic and Carter, who supports him, Professor Muhamed Filipovic concluded at today's news conference by the LBO.

Silajdzic: Europe Doing Nothing To Stop War

AU1004144395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Apr 95

[FBIS Translated Text] Today's extraordinary session of the Council of Congress of Bosnian Muslim Intellectuals was addressed by Haris Silajdzic, Bosnia-Herzegovina Republic and Federation prime minister, on the issue of the current international political situation and its effects on Bosnia-Herzegovina.

It is quite clear that the world will do nothing to stop the Bosnian tragedy, Silajdzic said. The reasons for this should be sought in the void, in the lack of a general strategy of peace and development, which has been created after the Cold War period. The other reason is that the United States, as the most democratic leading power, has left things in Europe's hands, primarily for economic reasons. In that sense a general European goal is being imposed, which is just to keep the war contained and maintain the status quo, that is, to recognize force. Thus Europe and the world are encouraging fascism, which is bound to rebound back on the world in an even fiercer and wider form, Prime Minister Silajdzic stressed.

SDA Leader: HDZ Destroyer of Federation

AU1004200795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Apr 95

[FBIS Translated Text] Futile interparty talks about the implementation of the Washington and Bonn Agreements have been held in Vares today. Alija Kovacevic, president of the Party of the Democratic Action [SDA] of Vares, has issued the following statement:

[Begin recording] At the very beginning of the meeting, the Croatian Democratic Community [HDZ] of Vares with its interim headquarters in [word indistinct] put forward proposals that also mean the following: They completely [word indistinct], that is, debase the Bonn and Washington Agreements. Second, they degrade the recently elected authorities, by which they negate the electoral results and the principles for the conduct of negotiations as established with a protocol signed earlier.

With this very act and action undertaken, the HDZ has placed itself in the role of the destroyer of the Federation on the territory of the Vares Municipality, by which it has actually acknowledged the legality and legitimacy of other parliamentary parties that have readily joined in the designed project [sentence as heard]. [end recording]

Muslim Newspaper: Washington Accord 'Dead Letter'

LD1004175595 Belgrade SRNA in Serbo-Croatian 1338 GMT 10 Apr 95

[Item received by fax]

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[FBIS Translated Text] Sarajevo, 10 Apr (SRNA)—The latest issue of the Muslim newspaper SARAJEVO TAJMS says that "after one year of futile attempts, one can say that the Washington Agreement on the setting up of a Croat-Muslim Federation is a pro-Croat project which cannot be implemented on the ground."

According to the Sarajevo-based Muslim fortnightly paper, "the key provision of the Federal Agreement regarding the return of the refugees to their homes has not been implemented, and one can already say that the Washington, Vienna, and Zagreb Agreements are a dead letter."

The paper says that "it is already evident today that Stolac, Vitez, Busovaca, and Zepce are towns whose gates have been closed forever to Muslim refugees [words indistinct]."

Dario Kordic, leader of the Croatian Democratic Union in Bosnia-Herzegovina, and his entourage have been visiting Tuzla, Zenica, and Sarajevo and setting up radio stations and newspapers and strengthening his party while Muslim leaders cannot even get a glimpse of Stolac, Capljina, and western Mostar."

SARAJEVO TAJMS says in conclusion that "based on the above-mentioned facts, even those who prefer utopia can see that the entire project of the Croat-Muslim Federation has been tailored to suit the Croats and is thus impossible to implement on the ground."

Opinion Poll on Future of Bosnia Federation

AU1104063395

[FBIS Editorial Report] Sarajevo BOSNJACKI AVAZ in Serbo-Croatian on 22 March on page 3 carries an approximately 2,000-word report on the results of an opinion on what the citizens of Bosnia-Herzegovina think about the future of the Bosnia-Herzegovina Federation and the recent government contacts with Serbian President Milosevic. The report, entitled "Washington Spectacle Has Raised Hopes in the Federation, But the 'Santic Case' and the Behavior of 'Herceg-Bosna' Politicians Are Again Causing Reservations Among the Bosniaks," does not contain the date of the poll.

According to the report, "AVAZ has decided to find out via its opinion poll agency what public reaction is toward the current situation in which the Bosnia-Herzegovina Federation finds itself. The poll was carried out in the Sarajevo, Zenica, and Tuzla regions via telephone, using the random sampling method. Three hundred people took part in the poll. They were asked their age, sex, qualifications, and nationality. This time, for reasons beyond our control, we were not able to carry out the poll in Mostar, which is a special kind of barometer of the progress made by the Federation. However, the results that we have obtained in other towns also offer an interesting picture of relations and the situation in the Federation one year after the initial steps."

The report also states that "because the majority of respondents were of Bosniak nationality, as determined by the national structure of the towns in which the poll was carried out, the results obtained in a way represent the views of the Bosniak side toward the partner in the Federation."

The results of the poll are presented in several pie charts and expressed in percentages as follows:

1. "Question: A year after the signing of the Washington Agreement and in the light of the latest events concerning the Bonn Agreement and the decree of the government of the so-called Herceg-Bosna on additional taxation of goods destined for the free parts of Bosnia-Herzegovina, do you think that the Croatian side: a) sincerely wishes to establish the Bosnia-Herzegovina Federation? b) wants to strengthen the position of 'Herceg-Bosna' vis-a-vis the Federation? c) wants the establishment of the Federation but only after the abolition of all Republic of Bosnia-Herzegovina institutions? d) does not want any form of federation for the Republic of Bosnia-Herzegovina?"

	Sarajevo	Zenica	Tuzla	Overall
a)	20	42	30	31
b)	40	16	26	27
c)	13	20	24	19
d)	27	22	20	23

2. "Question: The recent agreement in Zagreb envisages further strengthening of military cooperation between the Army of Bosnia-Herzegovina, the Croatian Army, and the Croatian Defense Council. In your view, will: a) this military cooperation be put in practice through joint operations in the spring? b) the military cooperation lose meaning following Tudjman's cancellation of UNPROFOR [UN Protection Force] in Croatia? c) the Bosnia-Herzegovina Army fight alone for the liberation of the occupied territories of Bosnia-Herzegovina?"

	Sarajevo	Zenica	Tuzla	Overall
a)	23	40	28	30
b)	20	24	24	23
c)	57	36	48	47

3. "Question: Do you support the contacts established by the Bosnian Government via Ambassador Muhamed Filipovic and the Serbia Civic Council [SGV] with Serbian President Milosevic?"

Sarajevo:

Yes	52
No	11
Do not know	26
Do not want to say	11

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Zenica:

Yes	58
No	18
Do not know	18
Do not want to say	6

Tuzla:

Yes	62
No	14
Do not know	12
Do not want to say	12

Overall:

Yes	57
No	14
Do not know	19
Do not want to say	10

General Dudakovic Wounded, in 'Critical State'

LD1004202795 Belgrade SRNA in Serbo-Croatian 2004 GMT 10 Apr 95

[Item received by fax]

[FBIS Translated Excerpt] Grude, Velika Kladusa, Zagreb, 10 April (SRNA)—General Atif Dudakovic, commander of Izetbegovic's 5th Corps, has been seriously wounded and is currently in a critical state in Bihac hospital, Croat radio of Herceg-Bosna has reported.

According to the same source, Dudakovic was wounded on Friday night when he, with his entourage, entered a Muslim minefield during fighting in the Prsina valley, west of Bihac.

The West Bosnia Information Service, ZBIA, confirmed the news today. The agency said that most of the people in his entourage died and only two of them and Dudakovic were wounded. [passage omitted]

Government Condemns Escalation of Serb Attacks

AU1004200395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 10 Apr 95

[FBIS Translated Excerpt] In light of the aggressor's increasing attacks on the safe havens in Bosnia-Herzegovina, the Government of the Bosnia-Herzegovina Republic and Federation held an extraordinary session today. Mediha Colo report:

[Begin recording] [Colo] The United Nations and NATO's hesitation to react to the attacks on the zones that the UN (?resolution) has proclaimed safe havens encourages the aggressor, and his attacks are escalating daily, Prime Minister Haris Siljadzic said at the beginning of today's session:

[Silajdzic] Civilians and the civilian targets are subjected to daily attacks. Snipers are killing women and children daily [passage indistinct] the center of Sarajevo and the residential buildings in other safe havens have been targeted by large caliber rounds. Two, three, or four civilians perish every day, usually women and children [words indistinct]. [Words indistinct] was such that the risk of a massacre that the aggressor had committed in Markale was avoided, at least to some extent. [Word indistinct] only a matter of days when [words indistinct]. Shells are landing on such localities that it is sheer coincidence that a shell has not killed tens of people. The UN Protection Force [UNPROFOR] knows this, as well as the UN secretary general and his special envoy. Governments of the United States, Britain, France, Germany, and Russia also know this. Instead of a sharp reaction and the efficient protection of Sarajevo and other safe havens, the governments of these countries are pressuring us to extend the cease-fire agreement. This is an absurd situation.

Two women were killed yesterday by a shell outside the government building, and several people, mostly women, sustained grave injuries. [Word indistinct] cease-fire we have had only few days after the NATO pact ultimatum, when the withdrawal of the Serbian artillery from Sarajevo was demanded. The aggressor honored this at that time because he believed the ultimatum to be serious. Immediately afterwards the shelling of Sarajevo resumed. As soon as the danger of an ultimatum elapsed, the shelling of Sarajevo and other safe havens continued and is still going on. However, it has now escalated to an extent that we can no longer tolerate. We called this government session to also inform officially the public and the international factors about the attacks on the safe havens, even though they already have information about it. This is an act of warning, after which no one should be able to reproach us for undertaking measures to protect ourselves, if the international community fails to do so.

[Colo] Deputy Interior Minister Nedzad Ugljan presented data on the consequences of the aggressor's attacks on Tuzla, Gorazde, and Bihac over the last 20 days. In one day alone, 21 rounds landed on Gorazde. In the shelling, 17 people sustained serious injuries and one was killed. In the shelling of Bihac, more than 60 people sustained various degrees of injuries, and the aggressor fired more than 70 large caliber rounds on Sarajevo from 1 to 10 April and simultaneously activated sniper fire from his positions. Six people perished in these activities and 33 were injured. In connection with this, the Interior Ministry undertook the following measures:

[Ugljan] On the basis of the authorities of the Interior Ministry, the head of Sarajevo Security Services Center issued a decree banning gathering in public places, markets, and open commercial premises. This decree will

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become effective as of tomorrow, 11 March [date as heard] from 0500 to 2000. [passage omitted] [end recording]

Armament Production Capabilities Examined

95BA0111A Ljubljana OBRAMBA in Slovene Jan 95 pp 18-21

[Article by Zdravko Latal: "Weapons From Its Workshops"]

[FBIS Translated Excerpt] *The Bosnian Army is getting more and more weapons and ammunition from its own factories, but that is not even close to being enough for major offensives. With the establishment of the Federation, the Croatian parastate, the so-called Herceg-Bosna, freed up the roads to some extent for the transportation of weapons and strategic raw materials, but it does not want to include the largest explosives factories in the Bosnian defense industry network.* [passage omitted]

Factories Operating in Spite of the War

In the former Socialist Federal Republic of Yugoslavia, approximately 45 percent of defense production was concentrated in Bosnia-Herzegovina. Pretis in Vogosca, the largest European factory producing shells and missiles, is in the hands of the Bosnian Serbs. Although the factory is right on the front line, production is continuing unhindered. It is only disrupted when the Bosnian Muslims cut the long-distance power line supplying the factory with electricity from the Visegrad hydroelectric power plant. Then the Serbs stop supplying Sarajevo with electricity, water, and gas. Consequently, the Bosnian Army, whether it wants to or not, is permitting production at Pretis. Shells from that factory are relentlessly falling upon Sarajevo and other parts of Bosnia-Herzegovina. The Serbian defense production shops in the vicinity of Pale are also operating at full steam. Several other metallurgical industry factories in the republic of Srpska have also started to work for the army. During the past year and a third of the war, however, Mladic's army has received most of its logistical support from Serbia. We should likewise not forget the fact that the largest military ammunition, fuel, and food depots were also in Bosnia-Herzegovina, and that almost all of them are in the hands of the Serbian army or were destroyed upon the JNA [Yugoslav People's Army] in 1992.

The Bosnia-Herzegovina Army has control of large defense production factories in Novi Travnik, where howitzers, cannons, and multiple rocket launchers are produced, and in Bugojno, where light artillery weapons are produced. One of the largest infantry weapon factories is in Konjic; the factory in Gornji Vakuf was destroyed during the conflicts with the Croats, while the detonator and explosives factory in Gorazde is in an unbreakable Serbian encirclement. It is true that before the latest offensive against that city some volunteers, or rather mercenaries, in exchange for 1,000 German marks [DM], took paths known only to them and brought into Gorazde medicines, hygienic supplies, and cigarettes, and came back with knapsacks full of detonators for explosives.

Production on Unoccupied Territory

During a 12-day journey through central and northern Bosnia, the author of this article became acquainted in detail with defense production on the free territory of Bosnia-Herzegovina. There is almost no factory engaged in metal processing that has not been completely or at least partly included in the production of military materiel. It is interesting that factories that never worked for the army have demonstrated much more innovation and resourcefulness than the large and well-known factories that have always produced only weapons. Life in the state's cradle has thus shown all its bad sides. The factory in Visoko, which in peacetime manufactured trash cans, is now successfully manufacturing all types of mines and explosive devices. Several factories in the vicinity of Tuzla are producing 122 mm howitzers and Orkan modernized multiple rocket launchers. In Zenica, two new automatic weapons have been designed and a small experimental batch has been produced. Mortars and shells for them are produced by both factories and mechanic shops.

At first glance it seems that the Bosnia-Herzegovina Army has strong logistical support, but that is not the case. Because of the shortage of high-quality materials and in general of appropriate raw materials, production does not take place in a series, but rather only in individual pieces. Consequently, performance also cannot be complete. The biggest problem, in spite of everything, is ammunition, from artillery to infantry ammunition, while they can only talk about ammunition for the rocket launchers. Just as in all armies and defense industries in the world, in Bosnia-Herzegovina as well everything is considered a military secret, even what is publicly sold in arms markets. It seems that approximately 245,000 pieces of infantry ammunition are produced in Bosnia every week, which is enough for just one brigade's requirements for one week. The situation with artillery ammunition is even worse. It follows from this that with the growing number of weapons, there is more and more of a shortage of ammunition. That is becoming more and more apparent now, in the new phase of the war, when the Bosnia-Herzegovina Army has started offensive operations.

An attempt is being made to compensate for the shortage of ammunition, and especially the shortage of antiarmor shells, through partial purchases abroad. Because of the arms embargo, however, very few weapons are arriving in Bosnia. According to data from the Bosnia-Herzegovina Army, it is obtaining most of the weapons, ammunition, and especially tanks by capturing them from the enemy in battles. It is also no secret that in exchange for German marks, cigarettes, and salt, some Serbian officers have sold ammunition, Zolja and Osa rocket launchers, recoilless cannons, and even helicopters. In the hot Bosnian pot, everything is permitted and everything is possible. Army General Rasim Delic confirmed to the author of this article that some Bosnian Army units in the field were buying ammunition and weapons from the Serbs. There have also been other

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trade agreements between the opposing sides, however. During the Muslim-Croatian conflicts, Serbian officers gave fire support first to one side and then the other in exchange for German marks. There were also the so-called "rent-a-car" batteries and tanks.

The Bosnian Cobra and Phantom

Before the beginning of the war, the defense industry in Bosnia-Herzegovina manufactured almost everything, from aircraft, artillery, and tank components to ammunition for all types of weapons. The only thing that was not made in Bosnia was light infantry weapons. It is hard to say whether the range of defense industry products will also be expanded to that type of armament because it depends upon numerous external and internal circumstances.

The first steps in that direction have already been taken. Two residents of Zenica, graduate machinery engineer Kemal Kljucanin and Alojz Kristo, who is an excellent weapon designer, rifleman, engraver, and machinist, wanted to design a revolver for sports competitions and personal use. The prototype was made just before the beginning of the war in Bosnia-Herzegovina. The designers envisioned it in two calibers, namely the .38 Special and the .357 Magnum. The war interrupted the work on that revolver, however. The Kljucanin and Kristo enterprise started to develop a modern automatic police weapon. In some places the police there were using very dangerous and destructive automatic rifles, mostly Kalashnikovs. The two Zenica residents gave themselves the task of producing an automatic weapon that would use pistol ammunition, while the police would turn the Kalashnikovs over to the Army.

As early as October 1992 the weapon was tested at a certain firing range in Zenica, and was renamed the Cobra M-1. Although the designers wanted it to have the 9 mm PARA [expansion unknown] caliber, for the sake of suitable and more easily accessible barrels, they produced it in the 7.62 mm x 25 mm caliber. By replacing the barrels and cartridge clip, however, they can adapt that submachine gun to fire 9 mm PARA ammunition, which is otherwise the standard police ammunition. The first results were good and they continued work on that weapon, which they continually tested on the firing range. In the middle of 1993 they produced an improved weapon, which they named the Cobra M-2. That submachine gun was produced in two versions, namely a 9 mm and a 7.62 mm x 25-mm version. That weapon has a high firing rate and can theoretically fire 720 rounds a minute. It is very light, since it only weighs 2.85 kg, and it is also interesting that it can be used effectively by both right-handed and left-handed people. According to experts, it is an ideal police weapon. The price is the same as the world price for that type of weapon. If 7,000 of that weapon were produced in series production, the price for an individual unit should be no higher than DM250.

The manufacture of an automatic weapon is not simple. Thus, during the war Croatia put on the market two automatic weapons that were called the Zagi and Sokac, but they did not exactly do well. The first weighed 4.05 kg and the second, 3.65 kg. Both had a caliber of 9 mm, and both of them theoretically fired 650 rounds a minute.

For automatic weapons, the most important thing is the quality of the barrels, because the firing accuracy and service life depend upon it. The Cobra has already proven itself with respect to firing accuracy. If we compare its weight, there are only a few weapons like this in the world that are lighter than the Cobra. They are the Austrian Steyr MPI 69, which weighs 2.72 kg, whereas the Italian Beretta M-12, which weighs 2.90 kg, and the British Sten MK II, which weighs 2.95 kg, are approximately equal in weight.

Also Phantom and Revolver

In the meantime the Zenica designers have been perfecting one more weapon of this type, but have not yet finished their work on it. This is the Phantom submachine gun. It weighs 2.5 kg, it has a 9 mm caliber, and its theoretical firing rate is about 1,000 rounds a minute. That weapon is intended for members of the police, the military police, security services, and special units. It is very suitable for close-quarters combat and for self-defense. In addition to the standard barrel, this automatic weapon also has an integral silencer.

In the second half of 1992, designers Kljucanin and Kristo accelerated work on manufacturing a revolver, and one of the Zenica policemen has already been equipped with a .357 Magnum revolver. Its framework has been designed for the most powerful possible ammunition, i.e., .44 Magnum. In designing it, the designers paid particular attention to the trigger mechanism and to balance, which is logical. That is the only way that they could achieve the necessary accuracy for this weapon. They planned it in such a way that its main barrel (2.5 inches long) can be quickly replaced with others (4 and 7 inches). The handle is also a single component, and can also be replaced quickly. The customer thus ultimately obtains a weapon with three barrels and two handles, which he can combine as he wishes.

The customer can order a very luxurious version, which will be custom-made; they will probably be manufactured in Bosnia after the war, or in areas where there is peace. The .357 Magnum revolver is deeply engraved and embellished with silver and gold alloys. The weapon has all modern security elements with double action. The Magnum's front sight is fixed and coated with fluorescent paint, while the rear sight can be moved. The marking K&K is on the right side of the revolver, under the drum.

Kljucanin and Kristo are also working on other projects. Their next product will probably be a shortened carbine. They have not shortened the weapon by shortening the barrel, but rather by incorporating the trigger mechanism in the butt. The weapon will quite certainly arouse considerable interest among the military and also hunters.

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Cobra M-2	
Caliber	7.62 mm
Barrel length	200 mm
Clip	30 rounds
Round	7.62 x 25 mm TT [expansion unknown]
Weight	3 kg [force required to pull trigger]
Loaded weight	3.3 kg
Length	510 mm
Length with butt pulled out	685 mm
Height	254 mm
Width	42 mm
Designated distances on the sight	75 and 150 m
Distance between sights	330 m
Front sight	adjustable
Rear sight	switchable
Trigger force	5 kg
Theoretical firing rate	720 rounds per minute

The submachine gun is intended for members of the police, military police, security, and special military units. It is usable for close-quarters combat and self-defense.

Phantom	
Caliber	9 mm
Barrel length	250 mm
Clip	20, 30, or 40 rounds
Round	9 x 19 parabellum
Weight	2.5 kg
Loaded weight	2.75 kg
Length	410 mm
Length with butt pulled out	630 mm
Height	270 mm
Width	40 mm
Designated distances on sight	75 and 150 m
Distance between sights	270 mm
Front sight	adjustable
Rear sight	switchable
Trigger force	5 kg
Theoretical firing rate	1,000 rounds per minute

The submachine gun is intended for members of the police, military police, security services, and special military units. It can be used for close-quarters combat and self-defense. In addition to the standard barrels, it is also equipped with an addition barrel with an integral silencer.

Revolver	
Caliber	.357 Magnum and .38 Special
Barrel length	2.5 inches (63.75 mm)
Number of rounds	6
Principle of action	double action
Front sight	fixed (fluorescent)
Rear sight	variable
Trigger force (single action)	1.5 kg
Trigger force (double action)	3 kg
Barrel system	replaceable
Handle	replaceable
Weight	0.87 kg

Revolver	
Caliber	.357 Magnum and .38 Special
Barrel length	4 inches (102 mm)
Number of rounds	6
Principle of action	double action
Front sight	fixed (fluorescent)
Trigger force (single action)	1.5 kg
Trigger force (double action)	3 kg
Barrel system	replaceable
Handle	replaceable
Weight	0.93 kg

The luxury version is in a wooden box made out of walnut and lined with velvet, and on it is a silver plate with an imprinted marking. The set includes basically three barrels of different lengths with linings (2.5, 4, and 7 inches) and two different handles, a "normal" one and a "combat" one. The set also includes a tool suitable for assembly and disassembly of the barrels and handles. It also includes bars suitable for cleaning.

Revolver	
Caliber	.357 Magnum and .38 Special
Barrel length	7 inches (178.5 mm)
Number of rounds	6
Principle of action	double action
Front sight	fixed (fluorescent)
Rear sight	adjustable
Trigger force (single action)	1.5 kg
Trigger force (double action)	3 kg
Barrel system	replaceable
Handle	replaceable
Weight	1.25 kg

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Committee of Serbian Socialists Reject War Option

95BA0208B Belgrade BORBA in Serbo-Croatian 21 Mar 95 p 7

[Article by M. Maric: "Peace Message"]

[FBIS Translated Text] Banja Luka—The session of the Main Committee of the Socialist Party of the Srpska republic [RS], held last Saturday in Laktasi near Banja Luka, is an event that did not occur for the media here. That is, the public of the RS was mainly informed about the peace message of the Socialists through the Belgrade media, while GLAS SRPSKI and RS TV and Radio have for several days been highlighting the announced visit of Dr. Vojislav Seselj to Banja Luka.

For some the very choice of Laktasi as the site of the meeting of the Main Committee of the SPRS [Socialist Party of the Srpska republic] is proof of the "unpopularity" of the Socialists with the authorities in the largest Krajina city. Dr. Dragutin Ilic, president of the Socialist Party of the Srpska republic, explains it this way:

"Unfortunately, we do not have adequate meeting rooms in Banja Luka. No one dared to rent us the space, nor did we want to place anyone in an unenviable situation. True, we have held meetings in Banski Dvor, but that room was taken this time. Also, it is wired for sound, and in the end that gives one an unpleasant sense."

Threatened State

The SPRS Main Committee adopted a peace message in Laktasi that met with approval among the citizens of the largest Krajina city.

"The SPRS Main Committee judges that the overall situation in the Srpska republic is extremely difficult, complicated, and uncertain, especially because of the adverse military-political and diplomatic environment and the extremely biased support of the international community to the adversaries of the Serbian people in the war," the peace message stated. "The world's sanctions against the Serbian people have had disastrous consequences over the long range. Shortcomings in the functioning of government in the republic are also contributing to the difficult situation."

The Socialists issued a warning about the attempts of other peoples of the former Bosnia-Herzegovina not only to dispute the right of the Serbian people to self-determination, but also to threaten its constituent role in creating the state, its national identity, and its human dignity, and to impose war on the Serbian people. The heroic struggle of the Serbian Army and its successes on the battlefield have saved the Serbian people from genocide and destruction. The world has recognized its victory in the proposed peace plan of the Contact Group and also recognized the Srpska republic as the de facto situation. However, all of that could be threatened by a possible continuation of the war.

At Any Price

"The Main Committee feels that nothing more can be achieved through further warfare in this region except new suffering and devastation. That is why we appeal to the parties in the conflict, to the leadership, and to all other participants in the negotiations to immediately achieve a lasting and just peace. This cannot be guaranteed without equal participation and treatment of the Serbian people, without removal of the unfairly introduced economic sanctions and other blockades, and without respect for human dignity. Peace is the only alternative to new casualties and eradication of peoples," the peace message of the Socialists of the Srpska republic stated.

The Socialists are calling upon the state, military, and political leadership of the belligerents, on behalf of the children and parents of those who have suffered in this war, to show full responsibility and wisdom in the face of the danger of biological destruction of their own people and to facilitate civilized development in every respect by restoring the peace. If they are unable to do that, we call upon them to leave that to forces that can assure it. In that way, they will be relieving themselves of accountability to their own people.

"We expect and demand of the leadership of the Serbian people that they achieve mutual reconciliation and conduct a joint policy from a single place in settling issues that are in the national interest," the peace message states.

The Socialists believe that if the peace efforts do not succeed, and the enemies of the Serbian people continue the war with the help of the international community, the SPRS will advocate full mobility and resolve of the Serbian people in defense—at any price—of their survival as a nationality, a state, a culture, and a spirit. In that context, the unity of the Serbian people will be and will remain the main prerequisite for permanent resolution of the Serbian nationality question and a guarantee of peace, the message of the SPRS stated.

Muslim Offensive Continues Along Majevica Front

95BA0208A Belgrade VECERNJE NOVOSTI in Serbo-Croatian 22 Mar 95 p 5

[Article by B. Maric: "Keen Serbian Defense"]

[FBIS Translated Text] Forces of the Muslim Army of Bosnia-Herzegovina continued the offensive begun the day before yesterday against positions of the eastern Bosnian and 1st Krajina corps of the army of the Srpska republic [RS].

The fiercest fighting, according to reports from our staffer Milan Cvjetinovic, is along the Majevica front, which is about 100 km long, where troops of the 2d Muslim Corps have been conducting a day-and-night assault against the relay station on Stolice.

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There has also been fierce fighting on the road between Tuzla and the Sava Valley, especially in the settlement Lukavica, where in their first assault the Muslim units managed to throw back fighters of the RS army to the second line of defense. After they regrouped, units of the eastern Bosnian corps of the RS army mounted a counterattack in which they forced Alija Izetbegovic's soldiers to withdraw with high casualties to their initial positions and again took complete control of the road that links Tuzla to the Sava Valley.

According to a news release of the UNPROFOR [UN Protection Forces] command in Tuzla, the Muslim units have taken high casualties so far in the offensive against Majevica. The UNPROFOR says that the 2d Muslim Corps had about 80 killed, and about 200 seriously and lightly wounded Muslim soldiers were transported to the Tuzla hospital.

The Muslim troops suffered the greatest casualties in the fight for Lukavica, and then near Snjeznica Lake and in Gornja Tuzla. In the attack against Majevica the day before yesterday, there were more than 2,000 soldiers of the Army of Bosnia-Herzegovina in the first combat echelon, among them youths between 18 and 20 just conscripted.

Yesterday morning Muslim forces blocked members of the Blue Helmets at the airport in Dubrave near Tuzla and did not allow them to go to Majevica and investigate who had violated the Agreement on the Four-Month Cessation of Hostilities.

According to a news release from the news center of the eastern Bosnian corps of the RS army, so far, four Serbian fighters have been killed and some 20 wounded in the fighting in the Majevica theater.

The fighting on Vlasic subsided yesterday morning, reports Slobodan Pesevic, because troops of the 7th and 3d Corps of the Muslim Army of Bosnia-Herzegovina were regrouping, which they were forced to do after failures in their general attack, which they carried out against all positions of the 1st Krajina corps on that mountain.

The information service of the 1st Krajina corps reported yesterday that both sides had losses in fierce skirmishes lasting several hours on Vlasic, but it did not state the number of killed and wounded.

The same source said that the artillery-infantry attacks of the Muslim army continued in the Srbobran theater and were repelled without losses by the fighters of the RS army. Units of the 1st Krajina corps also effectively neutralized attacks of Muslim soldiers on the Doboj and Ozren-Vozuca front.

Fighters of the 1st Krajina corps yesterday successfully repelled the strike of the Muslim units on Trebava, and in the area of Becanj they frustrated the attempt of a commando group of Muslims to slip through into their rear.

The Muslim troops have also violated the Agreement on the Four-Month Cessation of Hostilities in the former Bosnia-Herzegovina in the Olovo theater, where they pounded the positions of fighters of the Sarajevo-Romanija corps in Krusevo.

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Government Seeks More Peacekeepers From Europe

AU1104103795 Paris AFP in English 1011 GMT 11 Apr 95

[FBIS Transcribed Text] Zagreb, April 11 (AFP)—Croatia wants UN peacekeepers in the republic to be drawn more from "European" countries as they might better understand the conflict with Serb secessionists, a Croatian official said Tuesday [11 April].

Milivoj Tomas, who heads the Croatian office in charge of relations with the United Nations, insisted the idea was "not motivated by racism as there are French people of African origin. The advantage of such an operation would obviously be to see European states commit themselves further to resolving the crisis in Croatia," he told AFP.

"It is obvious that it would be more simple for Europeans to understand the problem because they are closer to us than others," he said. Tomas aknowledged that Zagreb could not choose the nationality of the peacekeepers sent on its soil as such questions must by decided by the UN Security Council.

When questioned about Tomas' comments, UN spokesman Michael Williams said: "There is a long-standing principle of peacekeeping forces that they should reflect the heterogeneity of the international community." Zagreb had threatened earlier this year not to renew the mandate of some 13,000 UN peacekeepers on its soil but reconsidered its decision last month after the UN agreed to redefine and rename its mission in Croatia. Some 90 percent of UN peacekeepers sent to Croatia are stationed in four regions controlled mainly by separatist Croatian Serbs who have set up their own republic in the Krajina region.

Jordan has the biggest single contingent of UN peacekeepers in Croatia. Other troops come from Kenya, Nepal, Argentina—together accounting for about half the force—as well as Belgium, Canada, Denmark, Poland, the Czech Republic and Russia.

Tudjman Decides To Demobilize 30,000 Troops

LD1104112895 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 11 Apr 95

[FBIS Translated Text] Defense Minister Gojko Susak has been on a working visit to Karlovac. Trajko Grkovski reports from Karlovac.

[Grkovski] Gojko Susak, defense minister of the Republic of Croatia, held talks with Josip Jakovcic, prefect of Karlovac County, and his aides in Karlovac today. They discussed demobilization, the construction of apartments for victims of the war for the homeland in Karlovac and Ogulin, and the economic situation in the county. After the meeting Minister Susak said:

[Begin Susak recording] The president of the republic has decided to demobilize about 30,000 soldiers, and Karlovac County will have priority. We will not allow more than 3,500 people to be mobilized in the county. [end recording]

[Grkovski] Reacting to a journalist who said that the rebel Serbs in Kordun are very active around the rivers Kupa and Korana, Minister Susak said:

[Begin Susak recording] There is no possibility that the Serbs can launch an action against us, rest assured. We are certainly not demobilizing 30,000 soldiers because we want to make it possible for the Serbs to launch an action. This will not reduce our combat readiness. [end recording]

[Grkovski] In response to a question about the death of the Polish battalion member near Kamenica, Minister Susak stressed that it is certain that the Croatian side is not responsible for it.

Polish UN Soldier Dies From Stab Wound

LD1104104395 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 11 Apr 95

[FBIS Translated Text] According to unofficial reports, Corporal Piotr Moszynski from the Polish Battalion of the UN peacekeeping forces in Croatia was not shot, but died of a serious wound after being stabbed in the groin by an unknown assailant. It was reported earlier that he had died as a result of a Polish observation post being fired on by Croats.

The circumstances of the Polish soldier's death are being investigated by a special commission of the UN peacekeeping forces. Corporal Piotr Moszynski was in charge of an observation post in Krajina.

To date, 57 soldiers of the UN peacekeeping forces have been killed in Croatia, including six Poles. There are 1,056 soldiers serving in the Polish contingent.

Granic Meets With Albanian Counterpart in Zagreb

LD1104104195 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 11 Apr 95

[FBIS Translated Text] Foreign Minister Mate Granic held talks with his Albanian counterpart Alfred Serreqi in Zagreb this morning. They signed a protocol on cooperation between their two ministries.

In a brief statement for journalists the ministers confirmed that they discussed the development of mutual relations, the situation in the region, and Croatian and Albanian cooperation with European institutions. Following the talks, the Albanian minister met with Prime Minister Nikica Valentic.

Russian Company Halts Natural Gas Deliveries

LD1004161595 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 10 Apr 95

[FBIS Translated Excerpt] The information service of the INA [oil] company has informed the public and its

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consumers that its Russian partner today stopped deliveries of natural gas to INA. The statement explains that the decision was made because INA failed to pay for natural gas deliveries made in the first two months of this year. The INA company cannot pay for these deliveries because it is owed money.

According to the statement, INA is owed 924 million kunas, including 637 million owed for natural gas and gas derivatives.

Hence, the INA company is forced to reduce deliveries of natural gas and its derivatives to all consumers who have failed to settle their bills, including state owned companies. [passage omitted]

Government Blamed for Country's Economic Problems

95BA0208D Split FERAL TRIBUNE in Serbo-Croatian 20 Mar 95 pp 13-14

[Article by Milan Gavrovic: "Valentic's 'Whateverism'"]

[FBIS Translated Text] In Zagreb, people say "Whatever!" This means that what you have said is pointless—that is the source of the expression "whateverism." Translation: pointlessness. After the great artificer, the indispensable Ivan Penic, presented what he called the proposed version of the new law on privatization, it became clear that all of Valentic's or Skegro's stories about the so-called "second phase of stabilization" are "whatever." The only thing that would truly deserve that name would be a rapid, economically beneficial, and socially fair privatization, and not the final liquidation of a few firms that have already been ruined.

Valentic said that himself a year and a half ago when he was self-confidently and optimistically explaining the dramaturgy of his program, which at that time was still in its glorious beginnings. "The government will speed up privatization, and we believe that the second phase will begin after the New Year," he declared. The "New Year" was 1994, and the key words were "privatization" and "speed." In the outside world, the message of Milton Friedman, the famous U.S. Nobel Prize winner, to the new democratically elected governments in the former communist countries was still topical: "Unless we rapidly privatize the economy, you will come into conflict with people who have gained rights and positions and who will come to power, and you will fall into a situation as in Latin America. I do not believe that communism will come back, but there is a great danger of degeneration of the Latin American type, with all the familiar disastrous consequences."

Rotting of the South

It was a question, then, of the very character of Croatian society. In the first phase, inflation was brought down and that cleared the horizon; in the second phase, the ship's course was to be determined, either in the direction of private ownership, pluralism, and democracy, or in the direction of omnipotence of the state, corruption, and totalitarianism. But even then Valentic put up his guard, and there he stands like a statue even now, pretending not to see what is booming around him. Instead of privatization, he suddenly began to talk about "restructuring the economy and rescuing the banks...," and now today, a year later, he has proclaimed the "second phase," the rectification and most likely also liquidation of several firms. The shipyards are an example: They have already been deserted by all those who could get away and whose expensive equipment has already rusted in the rotten south.

One can only guess why he turned the record over and when this happened. Perhaps it was at the point of that midnight denouement in the incumbent party's congress in late 1993, when only the prestige of the head of state and the party saved the so-called technocratic faction before the onslaught of the loud right of the HDZ [Croatian Democratic Union]. But the political support had to be paid for, and the price was obviously privatization. Valentic in return was given a chance and some time. Soon, however, it turned out that time was not on his side, and the chance turned into performance of a dirty job in the interest of someone else. Valentic was the first to conceal the robbery of privatization behind the appearance of a "successful economic program," as behind a curtain with little flowers, and after that he also had to increase the budget enormously in order to finance his party's policy. Both signified a direct withdrawal from what at the outset was defined as his government's economic program.

Deception of Shopping

The consequences hardly need any description. Over the last four years Croatia has lost more than half a million jobs; there are more pensioners with miserly pensions than persons employed, and the government administration has become swollen beyond all measure. One prestigious economic expert calculated that the Croatian economy is now producing about one-fifth of what certain industries were producing in their best years. Thrown out through the door, inflation is now coming back through all the windows. Signs of panic are visible at various places. At the beginning, the self-confident Valentic vigorously rejected all demands to put a stop to shopping abroad, saying that this would be contrary to the building of an open, market-oriented economy. In recent days, however, Croatian customs officers have begun to check the trunk of literally every car. That practice is well-known from our past in Yugoslavia, but from the times of Mikulic, not Markovic.

The final blow was announced by Ivan Penic when he presented the proposed version of the new law on privatization. From what he says, the main "winners" should be the small stockholders and pensioners. The payment term has been extended for the former, and the pension fund is supposed to get one-fourth of the stock of all state enterprises, so that in all it would have 20 billion

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German marks [DM]. But small stockholders are only a temporary phantom phenomenon whose task is to turn over their shares to selected owners as soon as possible for some trifle. And even the pension fund has proved to be a well-oiled machine for transferring nationalized property to the right private pockets.

Tudjman's Mines

Thus, for example, the well-known Chilean businessman and personal friend of "Risa from Pantovcak," Mr. Andronik Luksic, first bought shares of the prospering Karlovac Brewery from the former state fund (and did so at a special discount), and the many shareholders also turned over their shares to him with a much larger "discount," so that now he has in the end become the majority owner, having also purchased the pension fund's portion. No one, of course, knows who made the decisions on the sale; who, how, and by what criteria purchasers are selected; nor at what price the shares are being sold. Nor, of course, who gave permission to the pension funds to dispose of the property of the impoverished Croatian pensioners.

Mr. Luksic, like many others in the same circle, became a Croatian capitalist during the period when Valentic's stabilization program was being carried out. The way this happened was the same a year ago as it is now. That means that the stabilization program has also remained where it was, so that all the stories about the "second phase" are only a deception of the public and perhaps also a self-deception of the principals themselves. But continuation of the present business lull and return of inflation will not signify only a loss of position for Valentic. This turns the clock back to where it was before Tudjman went to the speaker's desk in the convention of the HDZ on that night in late 1993. Those who withdrew at that time, saying that this was only temporary, are now considerably stronger than before, thanks above all to the fact that the Croatian president, in speaking about the Croatian economic miracle, has at the same time done everything to blow it up.

Political Changes Viewed; Split in HDZ

95BA0208E Zagreb GLOBUS in Serbo-Croatian 24 Mar 95 pp 8-9

[Article by Davor Butkovic: "The Last Showdown With the Boys From Hennessy: Will the Croatian Government Go Down With Them?"]

[FBIS Translated Text] When Mladen Vedris, M.A., deputy in the Parliament and president of the Croatian Chamber of Commerce, back when he was also president of the Croatian Soccer Federation, departed from the HDZ [Croatian Democratic Union] on 15 May of last year, he sent a long letter to Franjo Tudjman, president of the Republic. In that letter, which was never made public, Vedris set forth the reasons why he left the incumbent party, and he sharply criticized the policy of the state, the HDZ style of running the state, and economic policy.

Vedris concentrated in that letter all his criticisms of the HDZ and of Dr. Tudjman during the first four years of their administration, in which he also took part, first as the mayor of Zagreb, then as deputy prime minister, and also as a member of the HDZ.

At just the point when Vedris left the HDZ, there was a split in the incumbent party, and there was also an attempt to cause a parliamentary crisis that in the end was supposed to get the parliament dissolved and a new election called. At that time, President Tudjman and his party had a comparatively poor standing in public opinion surveys of the popularity of politicians.

The split was caused by Josip Manolic and Stjepan Mesic; they were supported by the entire opposition, which boycotted parliament, and the final blow was supposed to be dealt to the HDZ by members of the liberal faction of the incumbent party, who were said to be politically close to the HDZ left, headed by Manolic.

Vedris as a Live Torpedo?

Vedris' departure from the HDZ was perceived by the public as advance notice that the liberals were leaving the HDZ for Manolic's party. But only a few days later Vedris' best friend, Prime Minister Valentic, announced that he was staying with Dr. Tudjman. And Dr. Franjo Greguric, director of INA, also soon came out in favor of President Tudjman. It was clear even then that a real parliamentary crisis had been avoided and that nothing would come of the early election.

It was not clear to political observers why Mladen Vedris left the HDZ at all, when he did not have the support of personal friends and those with similar political views, with whom, from the first election in 1990 all the way up to the split in the HDZ, he had managed to occupy some of the most influential posts in Croatian politics and business.

Some people said that Vedris had been launched by his friends as a live torpedo—that he had risked his entire political career so that by his example they could see Tudjman's reaction to the veering of HDZ liberals toward Manolic.

Others felt that he had left the HDZ because he had certain obligations to Josip Manolic. That is, in the early 1990's, while Vedris was mayor of Zagreb and while Manolic was overseeing the Zagreb HDZ, he had protected him from constant attacks of the Herzegovina lobby, which simply could not stand it that an election candidate of the People's Agreement Coalition should govern the city, then in the name of the HDZ.

It seemed from Vedris' public statements that he had left the HDZ mainly because he could no longer put up with the violent and markedly undemocratic method of governing the party and the state. In any case, when Vedris left the HDZ nearly a year ago, the liberal-technomanager faction of the incumbent party ceased to exist.

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The recent forced recognition of Ivica Crnic, justice minister, only signified the definitive political end of a very specific political grouping that early on in the Homeland War almost inserted itself as a new ruling caste with the blessing of Franjo Tudjman and Josip Manolic.

The Boys From Hennessy

The public has been prosaically referring to the main representatives of that group as the "boys from Hennessy." The cafe "Hennessy," obviously named after one of the oldest French producers of cognac, is located in Kaciceva Street, in the western part of Zagreb's Lower City, close to the Intercontinental and British Square. In that street, where the headquarters of Manolic's Independent Democrats is also located, is the law partnership of Nikica Valentic and Bosiljka Misetic.

It is said that in addition to the two of them, Valentic's friends Mladen Vedris and Ivica Crnic, the justice minister who has just been removed, also come to Hennessy.

Franjo Greguric, for many years director of Astra in Zagreb, later a deputy prime minister and prime minister, who is some 20 years older than Valentic, Vedris, and Crnic, but who shared their views on politics and business, was the most important member of that group, to which Bosiljko Misetic, at one time also a justice minister, does not belong at all in political terms (Misetic is a radical conservative and pronounced Croatian nationalist).

Jurica Pavelic, former director of Exportdrvo, and now director of the Zagreb Fair, was also very close to Greguric.

The boys from Hennessy behaved quite differently from typical postcommunist Croatian politicians. They were among the first in Zagreb to buy designer suits and shirts, they wore Rolexes and Patek Phillipes before this became an inevitable convention in political, business, and smuggling circles in Zagreb high society; they always wore pins on their ties with the national insignia, and their rhetoric never came down to the 1,000-year Croatian statehood and threats to all existing and nonexisting enemies of the "young Croatian state."

Why Is Franjo Greguric Leaving?

By contrast with a majority of other Croatian politicians, they never spoke about the president with awe. Not even during the time of the most difficult fighting of the Homeland War did they speak about the Serbs with hatred and about the ustashi with admiration, although one of them, Nikica Valentic, emphasized the ustasha past of his father in his first public statements after he became prime minister, presumably believing that he would in that way at least neutralize the criticism coming from the right-wing faction of the HDZ.

The boys from Hennessy (although it is not clear whether Franjo Greguric ever went to that cafe) appeared on the Croatian political scene as a group of relatively young people very successful in business and unburdened with ideology, who knew more about running the state and the economy than most people in the HDZ, which was what President Tudjman needed.

If they were really to take up the leading places in politics and business, they had to join the HDZ, although none of them was among the early fighters of the HDZ, which would turn out to be one of the principal reasons for their political downfall.

On the other hand, the bulk of the HDZ, with the exception of the faction gathered around Mesic and Manolic, simply could not stand them, considering them converts and phonies who had no understanding of their economic and political liberalism, and it even accused them of white-collar crime.

Everything that has happened to the boys from Hennessy in the last three years has been indicative of the dominant direction of Croatian domestic policy: from the relatively stable Greguric National Unity government in August 1991 all the way to the increasingly unstable Valentic government, on which the HDZ right, according to an unedited statement of Dr. Sime Djodan, is right now preparing an attack, and that, because Valentic supported Ivica Crnic, again according to Djodan, is actually in the opposition.

The main features of that direction are the increasingly rapid rightward veering of the incumbent party, the creation of a new balance of power in the HDZ essentially different from a year or two ago, and the political downfall of people who until recently were close to governing Croatia and who today no longer even exist as a separate political group and who together and individually are politically less influential.

An Audience Against Greguric

Franjo Greguric was director of Astra, one of the leading Croatian commercial firms, at the time of the 1990 election. Greguric organized the first importation of arms into Croatia (which was at that time illegal).

He soon became deputy prime minister, then a popular prime minister of the wartime government, and then he took over INA, the most powerful corporation in Croatia.

Today, they are trying to eliminate Greguric from Croatian politics, and to do so they want to send him to be ambassador in Russia.

Representatives of his corporation asked for and got an audience with the president of the Republic in order to complain about their general director. The HDZ cannot forgive Greguric his friendship with Mesic, Manolic, and Degoricija, and one of Greguric's greatest defeats was when Mate Boban, former head of Herceg-Bosna, took up a high position in INA.

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Many HDZ-ites, who do not want to forget that at the time when the HDZ was created Greguric was still a member of the League of Communists, and who intentionally pass over in silence all that he did during the war, can hardly wait for his possible departure from active politics.

Mladen Vedris came over to Dr. Tudjman immediately after his unsuccessful election attempt in the spring of 1990 on behalf of the National Consensus Coalition.

For a time, Vedris was appearing everywhere with Tudjman. He soon became the mayor of Zagreb and a deputy prime minister. Valentic and Greguric declared on several occasions that they were "prepping" Vedris "for the prime ministership," and that it was quite clear that in the future he would have a principal role in Croatian politics and the Croatian economy.

Mladen Vedris is today an independent parliamentary deputy whom the HDZ is trying to remove from the position of president of the Chamber of Commerce.

Ivica Crnic is the only one of the boys from Hennessy who was never a member of the HDZ. Nevertheless, Crnic, who is a personal friend of Valentic and Vedris, has been minister of justice for three years. He submitted his resignation after a lengthy conflict with the right-wing faction of the HDZ and its exponents in the judiciary. Ivica Crnic, at one time a judge on the Supreme Court and the author of some dozen professional publications, openly opposed political influence on the judiciary. Now he has not only lost his post as minister, but he also failed in the competition for new members of the Supreme Court.

It is interesting that last week the rumor circulated in the parliament that his father, Jadranko Crnic, president of the Constitutional Court, had also offered his resignation, which Mr. Crnic resolutely denied when we asked him.

Jurica Pavelic, present director of the Zagreb Fair, was at one time a deputy prime minister. Since Manolic's and Mesic's departure from the HDZ, Pavelic has not made a single notable political statement. He no longer holds any significant post in the HDZ.

Intimations of a Persecution of Political Adversaries

Branko Miksa, mayor of Zagreb, who in his outlook is much closer to the boys from Hennessy than typical members of the HDZ, also is now without any political influence. He has, in fact, become another Hrvoje Sarinic, with ties only to President Tudjman, who it seems no longer favors him so openly as he did a few months ago. Miksa's unsuccessful candidacy for president of the Croatian Soccer Federation, and in Croatia status in a soccer organization is sometimes an indicator of someone's political clout, is sufficient indication of that.

Finally, Nikica Valentic himself is also in an increasingly difficult political situation. First, with the departure of Vedris and Crnic, and the political pressure on Greguric, the prime minister has lost a large part of his personnel infrastructure.

Second, with the victory of the right in the HDZ, and certain very nervous moves by President Tudjman to which the prime minister had to submit, Valentic has lost some of his political integrity; that is, in his earlier public statements Valentic advocated freedom of the press, democratization, political tolerance, an independent judiciary, and privatization.

Instead of all that, he is now forced to tolerate taxation of the newspapers, the introduction of informal censorship in the media (one daily newspaper was prohibited from publishing an interview with Ivica Crnic immediately after Crnic's resignation), direct intervention of politics in the system of justice, intimations of a persecution of alleged political adversaries, and so on.

Nikica Valentic as prime minister must now take responsibility for a policy he did not shape at all and to which he personally is not predisposed.

It is also clear that Valentic is no longer supported by anyone except a few members of his cabinet (like the police minister Jarnjak, who is also increasingly isolated), and that his political destiny, just like that of Greguric and Miksa, depends exclusively on the will of the president of the Republic.

If the president of the Republic wanted to remove Valentic at this point, there would be few in the HDZ who would object, and many of its right-wingers would be very happy about that move.

Aside from Dr. Tudjman, Valentic is actually supported only by his popularity with the public.

Two Groupings in the HDZ

The downfall of the political careers of the HDZ liberals and the fact that they no longer exist as a political grouping has essentially defined new relations in the HDZ.

There are two main features of those new relations.

First, in the Croatian Democratic Union all factional fighting has really been stopped. The HDZ is now divided into only two groupings, and they are not even set up in opposition to one another. The stronger grouping is made up of the right-wingers, the radical nationalists, who are ideologically much closer to the Party of the Right than to the Christian Democratic Party Dr. Tudjman is talking about.

At the party convention in late 1993, when the greatest ovation went to Gojko Susak, Vladimir Seks, Branimir Glavas, and Tomislav Mercep, it became clear that the HDZ had become a conservative, undemocratic, and ultranationalist mass party.

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The other grouping is made up of all those who want to be in the HDZ out of opportunism, for personal gain, because of ties to President Tudjman, or simply because of Tudjman's prestige. That second grouping cannot organize itself as a separate political entity at all, nor could it have any greater influence than that which President Tudjman at a particular moment delegates to certain of its representatives in order to try to reestablish equilibrium in the party.

Second, those new relations in the HDZ could soon affect the status of the Valentic government, which, as Dr. Sime Djodan has intimated, could really come under attack of the right, and no one in the incumbent party will any longer be able or anxious to defend it.

The first symptoms of that situation are already cropping up. For example, in last week's session of the House of Representatives Vice Vukojevic and Gordana Turic, distinguished representatives of the HDZ right wing, sharply attacked Ivica Crnic during the debate of evictions.

Gordana Turic even said that following the most recent resignation in the government she expects the judiciary bodies to "try all those who took part in hostilities against the Croatian state and also try all those who appropriated its property, because these are punishable acts." Aside from the fact that this statement inaugurates in Croatian political life the category of the enemy of the state, it is significant because it manifests the attitude of that HDZ right toward Ivica Trnic, but also toward Prime Minister Valentic.

Mrs. Turic obviously believes that the former justice minister did not protect the interests of the state adequately. It is clear that this criticism also applies to Nikica Valentic, who supported Crnic. One of the open indications of the hostile attitude of the HDZ right toward the government is the warning of Vladimir Seks that the parliament will not accept a single legislative bill of the government unless the representative of the government is personally present in the session. Seks, who in the last 10 months has astutely defended the interests of the HDZ in the parliament, has been treating the Valentic cabinet as though this were the opposition, not the government installed by the HDZ.

Another indication of the political weakness of the government is the ferment in the Ministry of Internal Affairs, where several leading inspectors from the communist system were recently retired. They were allegedly sacrificed in order to relieve the position of Minister Jarnjak, whom these HDZ right-wingers long reproached for the excessive representation of the "old personnel" in the police, and whose post one of Tudjman's advisers would like to take.

Finally, if the Law on the National Security Office is adopted in the form proposed, the government will lose another part of its authority to the president of the Republic.

When Josip Manolic caused the split in the HDZ a year ago, only Mladen Vedris of the HDZ liberals, who at that time were an important faction in the party, dared to follow him, expecting that they would nevertheless retain real political influence in the HDZ.

In the meantime, they have dropped out of political life one by one or lost their authority, which in formal terms culminated with the resignation of Minister Crnic and the consent of Nikica Valentic to even have people like Ljilja Vokic and Zlatko Vitez as members of his government.

After all that has happened, today the boys from Hennessy, who two or three years ago all but ran Croatia, and who a year ago might have brought about an early election if they had committed themselves to Manolic, are a group of political losers whose survival in power depends now only on the assessment of Dr. Tudjman as to how necessary some of them might still be to him.

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Commentary Warns About Rapprochement With Serbia

AU1104063295 Skopje NOVA MAKEDONIJA in Macedonian 10 Apr 95 p 2

[Commentary by Zoran Andonovski: "With a Serbian Taste in the Mouth"]

[FBIS Translated Text] There have been many indications recently of a rapprochement between Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Serbia, or rather the FRY [Federal Republic of Yugoslavia], with some people in Macedonia drawing the hasty conclusion that the distance between Belgrade and Skopje is narrowing and there are rapid steps toward rapprochement. The real question is not whether this impression is true but, principally, whether we should fear or welcome it.

Let us first look at the reason for the impression that there is a rapprochement between Belgrade and Skopje—as predicted long ago by some, while others thought that it was the sole "salvation" for Macedonia. The relaxation of UN sanctions against the FRY—particularly visits of artists, sportsmen, and others—has produced a number of famous Macedonian names on the Belgrade stage. The exhilaration with which audiences and the media greeted them provoked the opposite reaction here in Macedonia. While some thought the exaggerated publicity and even euphoria were nothing but part of "Serbian propaganda," and an expression of the "uncured yearning for lost territories," others took it as the normal reaction of a hungry audience, deprived of foreign performances for years and/or a result of the top-class artistic performances.

A rapprochement with Serbia is obviously not in the interest of some, principally the Albanians, who know all about the Serbian regime's harsh treatment toward the Albanians in Kosovo. However, they (Haliti) [leader of Party of Democratic Prosperity] suggest that the Macedonian Government is doing exactly the same, citing the reaction of the police—that is the state—to the opening of the Tetovo phantom university.

However, ordinary people feel a Serbian taste in their mouths because of parallel attitudes and reactions to certain events that greatly affect Macedonia.

What do we have in mind here? Well, first of all, everything that was said, written, and commented on concerning the role and attitude of the foreign mediators and representatives of international organizations in Macedonia. The reason: Butrus-Ghali's unfortunate report to the UN Security Council was used to satisfy nearly all "foreigners," representatives of international organizations, who were more or less turned into enemies of the state in something that looked like a campaign. They were accused of presenting a distorted picture to the world and "their own" truth about Macedonia, instead of the "real truth," which often coincides with the picture that all of us in Macedonia want the world to have but that does not normally necessarily coincide with what is seen through the "international prism." These "foreigners" were and still are being accused of distorting the image of our state, and in the meantime there are also proposals that we should stop cooperating and start mistrusting them. This is very much like the Belgrade media campaign against the "enemies of the Serbian people," who "do not tell the truth about the Serbian people."

Nevertheless, in spite of certain similarities, there is something else at stake, not the intentional opening of a front against the "foreigners." Like it or not, in the last few years Macedonia has grown into a state. We are all aware of this now. We have even started to behave like a state. We do not go out of our minds if someone says something about us here or in the world; it is not enough any more. Instead, we have started analyzing what is said or written. There are certain events now that were beyond any imagination yesterday, such as Macedonia expressing dissatisfaction with the contents of a UN document. Our present position allows this, regardless of whether we are right or wrong. Being an affirmed international subject, Macedonia can now come to blows with anyone it chooses. Macedonia no longer has to keep quiet if there are things of which it does not approve.

This is why we should not try to minimize the pleasure that we have when our representatives out there, on the territories of the former Yugoslavia, have success. It is not "Yugo-nostalgia," but a celebration of real achievements and a new affirmation of the place of their origin. Nevertheless, it is not easy to answer the question whether we should fear or welcome rapprochement with Serbia. The dilemma would be outdated if we could be sure that the answer to the question "has Milosevic renounced Macedonia forever?" were positive. How can we believe this if Belgrade does not recognize Macedonia? How can we believe this if Macedonia is included in certain ideas on Balkan alliances, federations, and confederations without being consulted? Particularly knowing that in something called "a new Russian and Serbian plan for Bosnia," as THE WASHINGTON POST discovered (and nobody has so far denied), the fourth point says that "Greece will lift all blockades against Macedonia."

Why does Milosevic include Macedonia in the "plan for Bosnia," where it certainly does not belong? This cunning, poisonously cunning, politician si probably counting on the effect the plan's possible success might have on the Macedonian public. He would score points as the one who "lifted the Greek embargo," and at the same time hit the Macedonian leadership by humiliating it in front of the Macedonian public. Serbia's unofficial proposals for mediation must be placed in this context, and Belgrade would then become the center for possible Greek-Macedonian negotiations.

Finally: Rapprochement, if this really is a process and not a coincidence, should not scare us if it is followed by

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a correction in the world's schemes and plans for this part of the Balkans, because there is much greater "Yugo-nostalgia" out there in the world than among us here. It is more present among those who believe that by reconstructing the former Yugoslavia they can solve the problems arising in the region. This explains the term "inconsistency" as used by Macedonian Foreign Minister Stevo Crvenkovski concerning the Macedonian-Serbian border in Butrus-Ghali's UN Security Council report.

FYROM Press Treatment of Albanian Demands

95P20700A Skopje FLAKA E VELLAZERIMIT in Albanian 18 Mar 95 p 3

[Article by Ilir Ajdini: "The Macedonian Press and the Albanians—In the Service of Policy"]

[FBIS Translated Excerpt] What is currently happening to the Albanians in Macedonia [The Former Yugoslav Republic of Macedonia—FYR0M], and the way in which their demands are being treated, are nothing new and are not the products of democracy. This is just the continuation of the method of "combating Albanian nationalism and separatism," a method that was established here at the beginning of the 1980's. Following the example of Serbia, today's power structures continue to act as if the Albanians were the enemies, while an ally—that is, someone who serves its cause—can use the media to carry out any policy that "must be enacted" against enemies.

The Macedonian press has become, more and more, the most effective and most reliable means of the current government for carrying out its aims and its "programmatic" decisions. There are many examples of the practically unlimited support it is giving the government. This is most clearly seen in its attitude toward the Albanians and their demands. Keeping the aims of the government clearly in mind, the press, with no consideration as to whether it is doing this with or without "orders," paves the way for the achievement of the aims outlined at the beginning, so that they can be generalized, with no consideration being given to any demand of the Albanians! You don't have to be a genius to see this. All you have to do is watch television, or take a glance at the press. The attitude of the press in regard to the Albanians' demands for higher education in their mother tongue is a recent case in point.

In this case and in many cases up to now, a distinction can be made between the different types of "support"—which depend upon the image of the media and the journalists and on their orientation, on the basis of which they generally can be divided into two groups: those who are uncompromised in "combating Albanian nationalism and separatism" and those who are tolerant, or advocates, of the use of democratic means in the resolution of conflicts. The second group must emphasize that the most democratic means that are being used these days is to convince the Albanians, "by fair methods," that everything they are doing is incorrect and that they should obey the decisions of the government, which are always right.

Well-Intentioned Orders Addressed to the Albanians

The text of Aleksandar Sholakovski's text entitled "Goodwill" published in NOVA MAKEDONIJA last Thursday falls into this category. What does our colleague recommend to us with goodwill and good intentions in this text? First of all, he informs us that the "cause" that has "united" us Albanians (education in our mother tongue) "is not vital" and, what is more dangerous, has "caused the creation of 'the Albanian political subject,' which presents a serious obstacle for political pluralism." We cannot help but agree with the statement that the university is not a vital issue, since its existence does not ensure us that we will not die for lack of food.

Expressing the "goodwill" mentioned in the title, the author continues by saying: "We might suppose, for example, that the unity of views is a result of a gradual resolution, sensitive to the position of minorities," and he does not exempt the current government from "responsibility." However, this is only a supposition, since it is known that something else is hidden "behind this homogenization, unity and uniformity of views..." Sholakovski knows this very well because "some eminent political leaders stated 'in confidence' that they "would have kicked [Tetovo University president] Fadil Sulemani, but..." [quotation marks as published]

With this "but..."—which, "confidentially," they followed with three dots—Sholakovski draws the inevitable and indisputable conclusion that "eminent leaders" realized, albeit tardily, that they were wrong when they embarked upon "political adventures, such as the matter of the university." [passage omitted]

Who Has Been Brainwashed?

The case of the colleague from VECER, V. Velevska, is similar. As the secretary and one of the founders of the Journalists' Club for Interethnic Dialogue, she has indicated her commitment to resolving problems by "democratic" means. To illustrate the way in which this VECER journalist envisages "journalists' interethnic dialogue," let us look at her article in her mother newspaper under the heading "Preuniversity Phantasmagoria and the Albanian Political Subject" (VECER, 22 February 1995). In the first two sentences of the text in question, we read the following words:

1. the illegal and so-called university...;

2. the self-styled "Albanian political subject in Macedonia"...;

3. the so-called education process...; and

4. the organs of the "university."

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Party Chairman Lojze Peterle and Main Secretary Hilda Tolsak. As Gojko Brvar reports, Peterle's speech failed to open any new issues but was more a summary of public statements party officials have made to date.

[Brvar] In his opening speech, Peterle expressed dismay about the fact that the current government coalition failed to formally establish decisionmaking methods as more obligatory forms of activity. He has also said that it is necessary to stay in the coalition and that leaving it would not accomplish anything.

In his speech today, the chairman gave a concrete example of the wisdom that was once again confirmed at the autumn party congress, and that is that friendly parties do not exist in politics. Not one more [words indistinct] intention of the Social Democrats to establish Christian forums. One should get used to the fact that we would be attacked both from left and right. Some of those people who, a little naively, took part in local elections were much disappointed.

In his speech, the SKD chairman above all touched on budget and government issues. He attacked the social policy that is, by the way, led by the lady minister from the United List [of Social Democrats]; the buying of social peace through financial intervention; and losses again by the minister from the United List. He meant that the government got tired deciding on the economy as there would be more success with some urgency that would equal the one at the laws on schooling.

As regards demographic policy, Peterle pointed to the fact that there is that basic [word indistinct] between the younger generations and pensioners, because with the falling birth rate, society will consist of an ever-larger segment of pensioners.

The SKD chairman devoted the greater part of his speech to joining European unions. He reiterated his views on the Aguileia and Rome events, and anticipated the new economic currents to which membership will lead. According to him, one should not fear this process: enterprises that were quick to accept the new situation and [word indistinct] new opportunities were also quick to recover. The same goes for the fear of losing national identity, because preserving it depends on us alone. Instead of [word indistinct] against foreigners, one should adopt relevant protective laws.

At today's annual conference, Christian Democrats will also be adopting amendments to the party statute to bring it into line with the law on parties and the new legislation on local self-administration.

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Federal

PRC's Qian Addresses Foreign Affairs Committees

AU1004191295 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 10 Apr 95

[Report by Zoran Jevdjovic]

[FBIS Translated Text] On the occasion of Qian Qichen's visit to Belgrade, the foreign affairs committees of both chambers of the Federal Assembly held a joint session today. The session was attended by the heads of deputy caucuses and guests.

Borisav Jovic, president of the Federal Assembly's committees, welcomed the Chinese guest, stressing, among other things, that Yugoslavia is not a participant in the war on the Yugoslav territory [prostor] and that it has accepted all peace plans so far, as well as met all the demands connected with the lifting of the UN Security Council sanctions. Jovic also thanked the Chinese side on its principled conduct in the Yugoslav crisis.

The Chinese foreign minister then addressed the members of committees, stressing traditional friendship and the fact that China has not changed its attitudes toward Yugoslavia, which is founded on the basic principles of peaceful coexistence. As the most important country in the Balkan, Yugoslavia, Qian stressed, has maintained political and economic stability. The worst period of the crisis has already gone.

Even though China has no direct interests in the Balkans, it strives for the settlement of the problem with peaceful means and not war or the application of sanctions. This is why China expects the soonest possible end of the war and the settlement of all problems through agreements. China welcomes the easing of the sanctions on Yugoslavia and strives for this to turn into the complete lifting of all sanctions, something that can increasingly be heard on the international scene.

The Chinese minister also said that his country opposes foreign interference in the crisis area and that it wants to develop relations with all countries on the basis of equality.

Qian on Balkan Problems

LD1004200595 Belgrade TANJUG Domestic Service in Serbo-Croatian 1456 GMT 10 Apr 95

[FBIS Translated Excerpt] Belgrade, 10 Apr (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic said today that in talks with Qian Qichen, PRC deputy prime minister and minister of foreign affairs, the conclusion was reached that the sanctions, as a form of inequality of those involved in the peace process, must be lifted as soon as possible.

Jovanovic stated this at a press conference in Belgrade, given together with his guest, Minister Qian Qichen, who has been paying a three-day official visit to the Federal Republic of Yugoslavia. [passage omitted]

Qian Qichen said his visit to Yugoslavia had two objectives—the first was his desire to gain a personal insight into developments in this area, the second one China's desire to develop economic and trade cooperation with Yugoslavia.

Minister Qian recalled that a program on cultural and educational cooperation has already been signed and that China is ready to sign a treaty on economic cooperation between the two countries. "We are preparing ourselves for the period after the sanctions are lifted," Qian said.

Noting that the international community pays great attention to the developments in Bosnia and on the territory of former Yugoslavia, Minister Qian said that China does not have any "selfish interests" in this region. "Geographically China is far from this region," he said, adding that his country urges a just solution to the crisis, which would be in the interest of preserving peace and stability in the region. "We believe Yugoslavia can play an important role in this region—the role of preserving peace and stability," Minister Qian said.

"The lifting of the sanctions against Yugoslavia can represent an impetus for the further course of the peace process," the Chinese minister went on to say. He said that China wants the cease-fire in Bosnia to turn into a permanent peace, and the alleviation of the sanctions against the Federal Republic of Yugoslavia to turn into their complete abolition.

China also wants the confrontations in this area to turn into harmony, and distrust to turn into trust, he said. Concluding his speech on the Chinese stances regarding the settlement of the crisis on the territory of former Yugoslavia, Qian emphasized China's desire that the former Yugoslav republics recognize each other, establish normal relations and live in harmony and cooperation.

Most of the journalists' questions directed at Qian Qichen, following the introductory statements, related to the sanctions and China's role in the process of their complete abolition.

"The complete removal of sanctions does not depend only on China, which cannot do much on its own. The lifting of sanctions depends above all on the stance of all the members of the Security Council," Qian said. He expressed the opinion that the lifting of sanctions depends also on the results of the work of the Contact Group and on its recommendations. He repeated the standpoint he expressed yesterday after the first round of the Yugoslav-Chinese talks:

"Our views on sanctions against any country are well-known: We are always against their introduction, so we are against the sanctions imposed on Yugoslavia. They resolve nothing. On the contrary, they only complicate

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matters. It is easy to impose them but difficult to lift them because there is still no precisely established mechanism for lifting them. Nevertheless, we believe that the lifting of sanctions against Yugoslavia is, in practical terms, already on the agenda of the Security Council."

Qian's mention of the Contact Group's role led to a question to Jovanovic about the forthcoming talks with the members of this group and about the initiative to recognize the former Bosnia-Herzegovina and Croatia.

"We are conducting an active and dynamic dialogue with the Contact Group about the peaceful resolution of the crisis by political means. The discreet nature of the work with the Contact Group, however, does not allow either side to say more than this. Our stance has been well-known for over three years now: We are openly in favor of recognizing the former Yugoslav republics as independent states when the conditions for this are created. We do not want to repeat the mistake made by the European Community and later also by another part of the international community when they recognized the former Yugoslav republics too early. This would not be wise."

The Yugoslav foreign minister was asked about UN Security Council Resolution 981, which has caused polemics and differing views in the country and abroad. "The resolution is interpreted differently above all by those most affected by the resolution, those who should continue to find an acceptable solution to their conflict."

"What we can say is that the resolution, despite its lack of clarity and some ambiguity, has removed the imminent threat of war and blunted the impact of the dangerous step which Croatia undertook when it threatened to expel the UN Protection Force." Jovanovic then said Resolution 981 bought eight months during which time both sides had to make efforts to find a final political solution to the problem of the future of Krajina.

Asked about a statement made recently by Muslim leader Alija Izetbegovic, who hinted that he could come to Belgrade, Jovanovic said: "Belgrade is known as an open city. It was an open city during the Second World War, but the Germans bombed it, nevertheless. So anyone who wants to come to Belgrade with the intention of offering a just and permanent political solution can do so."

"I do not know what Mr. Izetbegovic had in mind. If his intention was to propose a compromise political solution which would treat equally all three constitutent communities in former Bosnia-Herzegovina, then, of course, he can find a useful interlocutor in us," the Yugoslav foreign minister concluded.

Jovanovic Assesses Qian Visit

AU1004163295 Belgrade Radio Beograd Network in Serbo-Croatian 1445 GMT 10 Apr 95

[Statement by Foreign Minister Vladislav Jovanovic at a news conference with Chinese Foreign Minister Qian Qichen in Belgrade on 10 April—recorded; from the "Argument Vise" program]

[FBIS Translated Text] During our talks we thoroughly analyzed bilateral relations and cooperation and concluded that there is a high degree of unanimity that these relations should be brought back to their previous level as soon as possible and that they should even be raised to a higher level within a reasonable period of time.

In this sense we exchanged some specific suggestions. In addition to the agreement, pardon [Jovanovic corrects himself], in addition to signing a program on cooperation in culture and education, we expect to sign this year at least one more bilateral agreement, an agreement on trade. Other projects on bilateral agreements are also being worked on.

We have also firmly decided to continue building our relations on the foundations of trust, friendship, and mutual understanding. We have decided to continue political contacts. We have renewed the invitations to the Chinese prime minister and the president of the republic to visit Yugoslavia. We have also invited a group of prominent Chinese businessmen to visit Yugoslavia in the near future. In the period ahead, especially after the sanctions have been lifted, we expect to see a dynamic and promising period in the development of relations and cooperation.

We have also concluded that two independent and peace-loving countries such as China and Yugoslavia are naturally disposed to strengthening mutual political contacts and cooperation and that the development of their cooperation represents of one the positive examples of cooperation in the world between countries that mutually respect each other, do not interfere in the internal affairs of other countries, and highly affirm the principles of equality, sovereignty, and independence of all the countries in the international community.

We also concluded that the Yugoslav crisis should be resolved in an exclusively peaceful way and through political means. We once again affirmed our absolute commitment to peace and a political settlement of the crisis and in this we received full support from China. We have explained all the elements of our position on the crisis in Bosnia-Herzegovina and Krajina and other aspects of the Yugoslav crisis and jointly concluded that the sanctions as a form of inequality of those involved in the peace process must be lifted as soon as possible and fully, if the peace process is to develop and bear fruit in the shortest possible time.

We highly appreciate that China, as a permanent member of the Security Council, has always been against the introduction of sanctions against other countries and has always opposed international military intervention in Bosnia and other parts of the world. We expect China, with this kind of moral and political capital, to play an important role in the next stages of the peace process, especially in the stages of the total removal of the sanctions.

We assess this visit positively. We hold the view that the visit is taking place at the right time and that it will

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contribute to the strengthening of bilateral relations, as well as peace and stability in this region and further afield.

Kontic, Qian Talk

LD1004194095 Belgrade TANJUG in English 1905 GMT 10 Apr 95

[FBIS Transcribed Text] Belgrade, Apr. 10 (TANJUG)—Yugoslavia has met all the conditions for the lifting of sanctions, Yugoslav Prime Minister Radoje Kontic emphasized in talks with Chinese Deputy Premier and Foreign Minister Qian Qichen in Belgrade monday.

Kontic pointed out that Yugoslavia found unacceptable further expanding of conditions to have the sanctions lifted with issues outside the U.N. Security Council resolution which originally imposed the sanctions, a government statement said. He set out that China could significantly contribute to finding more quickly a lasting and just political solution to the situation on the territory of the former Yugoslavia.

Qian paid tribute to Yugoslavia for having successfully curbed inflation in conditions of sanctions. He also said China was prepared to renew economic cooperation with Yugoslavia on lifting of sanctions. During the talks with the guest from China, Yugoslav Parliament Chamber of Citizens Speaker Radoman Bozovic pointed out China's objective and inbiased stance from the very outset of the crisis on the territory of former Yugoslavia.

Minister Qian stressed the need to lift the sanctions against Yugoslavia and its return to the international institutions. Bozovic extended an invitation to Chairman of the National People's Congress Qiao Shi for a congress delegation to visit Yugoslavia. The Bozovic-Qian talks were also attended by Yugolsav Foreign Minister Vladislav Jovanovic.

Sanctions Cost Danube Shippers $1 Billion

LD1104101795 Belgrade TANJUG in English 0948 GMT 11 Apr 95

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, April 11 (TANJUG)—Shipping companies in Danubian countries have lost at least one billion dollars as a result of the economic blockade of Yugoslavia, the Yugoslav daily PRIVREDNI PREGLED (Economic Review) said on Tuesday.

Yugoslavia has been under a regime of sanctions since May 1992, when the United Nations Security Council imposed a total economic embargo against it and paralyzed international traffic on the Yugoslav section of the Danube River. The paper said Ukraine, which has the largest fleet on the Danube, had suffered the biggest loss of around 380 million dollars. Romania and Bulgaria lost at least 200 million dollars each while Hungary has sustained a loss of about 40 million dollars.

Yugoslavia's shipping companies, with their second largest fleet that includes 250 vessels, has lost at least 150 million dollars as a result of the regime of sanctions. President of the management board of the Yugoslav river navigation Dusan Strugar said Danubian river companies were increasingly calling for the sanctions against Yugoslavia to be lifted because they had a disastrous effect on their national economies.

Three member-countries of the Danubian commission—Ukraine, Bulgaria and Hungary—have already made such a demand while all eight members of the commission are soon expected to address a formal request to the U.N. Security Council to lift the sanctions against Yugoslavia.

Decline in Country's Metal-Industry Production

95BA0202F Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 6 Mar 95 pp 28-30

[Article by Predrag Ursic: "Vehicles of Development: The Me(n)tal Complex"]

[FBIS Translated Text] "Give me a Fulcrum, and I will lift the world!" Archimedes boasted when he discovered the law of the lever. Everything has nevertheless stayed in place, except, of course, Archimedes, who has moved off into history. The problem of the Fulcrum, however, is not troubling a growing number of our politicians and business executives who seriously would like to "lift" the domestic economy, which has stumbled. They are referring mainly to the giant firms, most of which are in the metals sector. A sufficiently long lever, to tell the truth, is still being sought, but that does not diminish the enthusiasm of those who believe that a few hundred million "convertible dinars" of credit wheedled in one of the coming quarters—when this tale about the necessity of a restrictive monetary policy dies down a bit—would lift this complex from the ashes, thereby imparting momentum to the rest of the economy, that is, to its "truly industrious" segment, which is not engaged in any kind of trade or "retail" production.

Joking Aside

The matter has really become serious. There was recently a meeting of the economic delegations of Serbia and Montenegro in the Chamber of Commerce of Montenegro and Serbia, attended by managing directors of some 20 of the largest enterprises in the metals and metallurgical complex. It was headed by Vlajko Stojiljkovic and Vojin Djukanovic, presidents of the respective republic chambers of commerce, and Dr. Oskar Fodor and Miodrag Gomilanovic, M.A., respective republic ministers of industry. The attendants easily agreed that the metals complex, especially the large systems—the "vehicles of the FRY's [Federal Republic of Yugoslavia] development," whose performance is most crucial to the performance of other industrial branches in the country—will continue in the future to be at the center of the overall activities of business executives and the state, our

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man on the scene reported. The state must provide them money, it was said on that occasion, because the country's fate does not depend on small and medium-size firms, although they are also important, but exclusively on the large systems, while the small and medium-size enterprises should only serve the large producers and help to increase their business flexibility!

And the metals complex, consisting of Zmaj, IMT, IMR, and DMB, whose work force of 20,000 and an additional 11,500 subcontractors constitutes almost one-fourth of the labor force in the capital's industry, is also "at the center of all the activities of business executives" in Belgrade and has been for some time. Nothing remains but to finish the search for 70 million dinars that is lacking to set them in motion this year.... The Belgrade metalworkers have still not managed to repay the same amount of credit obtained last year.

After a certain lull—and the failure that brought to an end the previous attempt, which had been thunderously promoted—a voice is again being heard from Kosovo that revival of Trepca "is not only a strategic state and national interest, but is extremely important as a stabilizing factor in our economy." Jovan Zebic, federal deputy prime minister, recently made that declaration in Zvecan, where he headed an exceptionally strong delegation (Ratko Banovic, vice governor of the NBJ [National Bank of Yugoslavia], Milan Djakovic, general director of NIS, Milos Milosavljevic, general director of Jugobanka, Ljubomir Mihajlovic, general director of Komercijalna Banka...), after having been told that Trepca's debt has increased to 86.5 million dinars. The team working to revive it has already been formed, and a consortium of banks is being formed to give financial support to the idea of the experts....

Disintegration...

To be sure, among the largest Yugoslav firms—if size is measured by income earned—the dominant firms in the metals and metallurgical complex are those that "make up the system." Thus, one out of every seven on EKONOMSKA POLITIKA's last list of the "200 largest firms" was from this sector. Two-thirds of them, however, ended the first half of last year with very large losses. Sartid 1913 of Smederevo alone, for example, recorded a loss of a fantastic 1.36 billion dinars, which is more than one-sixth of total losses of 57,769 legal entities, the number that filed reports with the Settlement Agency.

Initiating the "Iron" program and the somewhat more generous credit financing of production in the second half of last year have certainly corrected the situation in that colossus and in a number of firms heavily oriented toward the products of the Smederevo steel mill. But the fears that have been borne out that reviving gigantic firms with credit before they undergo all-encompassing transformation results in increased production and increased losses will not be dispelled even by the more cheerful annual balance sheets, which are now awaited and might come.

Finally, the money necessary to set them in motion has to be earned by someone, and those are precisely the ones who are renouncing the role of "vehicles of development" with disgust. There is no point in talking nonsense about the consequences of the alternative: distribution of money printed without any real backing. Presumably that is well-known to everyone. And the second half of last year showed the consequences of printing money with "real" backing in goods at a time when a reliable market infrastructure had not been built to bring about the result from secured loans, mortgages, and export credits certain other countries have had for centuries.

Although these firms never could have boasted of their brilliant financial results, the present situation is mostly the consequence of the disintegration of the SFRY [Socialist Federal Republic of Yugoslavia]. The metals and metallurgical complex, that is, was one of those in which specialization and the division of labor among the republics had gone furthest. There are eloquent figures of the Center for Development and Economic Policy that show that the metals and metallurgical complex had above-average dependence on purchases from other, now former, Yugoslav republics (see table), while ferrous metallurgy—which the metal-manufacturing sector depends upon decisively—was in this respect the absolute recordholder among all business activities. Whatever sales were on the market of the former fellow countrymen, Yugoslav metalworkers must also feel strongly its loss today—especially nonferrous metallurgy and Zastava, in which they recall with longing that at one time they were selling more than 200,000 cars a year "from Vardar all the way to Triglav."

Marked Export-Import Orientation and Orientation Toward the Former Yugoslav Republics...

Inputs per 100 units of the finished product

				In Percent	
	FRY	Imports	Purchases	Exports/Imports	Deliveries/Purchases
Ferrous metallurgy	54.1	21.8	36.1	152	21
Nonferrous metallurgy	73.2	15.7	10.5	432	232
Metal manufacturing	37.3	14.0	16.5	146	69

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Marked Export-Import Orientation and Orientation Toward the Former Yugoslav Republics... (Continued)

Inputs per 100 units of the finished product

				In Percent	
	FRY	Imports	Purchases	Exports/Imports	Deliveries/Purchases
Machinebuilding	29.2	12.8	14.2	58	51
Manufacturing of transportation equipment and shipbuilding	38.2	19.0	20.6	83	97
Electrical products industry	25.8	22.2	15.9	62	48
Economy as a whole	42.6	10.3	12.1	88	92

Source: "Mutual Relations of Industries of the FRY in 1991," Center for Development and Economic Policy.

...Has Now Resulted in a Slump of Production

	94/93	94/89	Jan 95/Dec 94	Jan 95/Jan 89
Industry—total	101	36	—	37
Ferrous metallurgy	78	11	71.7	9
Production of nonferrous metals	110	37	—	27
Processing of nonferrous metals	113	18	—	17
Metal manufacturing	91	16	54.8	12
Metal processing	82	19	54.1	14
Machinebuilding	73	9	63.5	9
Production of transportation equipment	93	6	38.8	4
Shipbuilding	117	17	65.8	5
Electrical products industry	119	19	61.6	16

Source: Federal Bureau of Statistics.

The declining activity in the metals complex began, however, even before most sane people in the country could have even suspected its bloody disintegration. The transition to convertible payments with the CEMA countries and then the definitive disintegration of the common market of the East European countries and the Soviet Union, and the dramatic changes that made the most important export market of the Yugoslav metal-manufacturing and metallurgical industries unrecognizable, that is, had to shake this sector in a serious way even if there had been no war, destruction, and the sanctions.

Sanctions...

The dependence of the metals complex on imports was, roughly speaking, at least twice as great as the average for the Yugoslav economy, and at the same time nonferrous metallurgy, ferrous metallurgy, metal manufacturing, and shipbuilding were markedly oriented toward exporting (see table).

The sanctions have, of course done away with both imports and exports. Not altogether, to be sure, but exporting mostly bulky metal and metallurgical products is an immense problem even for the most astute smugglers, and the raw materials and production supplies smuggled in somehow have become enormously expensive. The impossibility of importing the necessary quantities of raw materials, production supplies, and energy and the impossibility of exporting the goods somehow produced for which there is no customer on the drastically reduced and impoverished market therefore figure to be the most urgent current problems.

Because it is obviously a question of restrictions, which cannot be removed by swearing allegiance to this sector, even if that is backed up with a certain amount of credit, it is no wonder that last year's output in ferrous metallurgy and metal processing was even less than in 1993, when inflation was devastating (see table). The drastic drop of output in January, as compared to last December, can be taken as an indicator of events that can be anticipated unless credits begin to flow soon. But if they flow....

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...and What Preceded Them

Interventions with credit will not prevent most of our "economic colossuses and vehicles of development" from constantly reproducing losses, in the view of Arsenije Jovanovic, director of the Association of Ferrous Metallurgy of Yugoslavia, who advocates restructuring of the firms' technology, organization, and personnel, and who says that changes in the economic system must begin regardless of the sanctions.

The assessment of Sava Markovic, an adviser in the association, to the effect that an extremely delicate normalization with the former Yugoslav republics and a radically different export strategy are also key prerequisites for any lasting stabilization of the situation in the metals and metallurgical complex also indicates that in the Association of Yugoslav Metallurgists at least as much thought is being given to the time after the sanctions as to current problems. What is more, Markovic bases his very pessimistic forecast that recovery could take all of some 20 years on figures that the Smederevo Steel Mill (if it operates) will meet the total domestic demand with only one-fifth of its capacity and the ultramodern tinplate factory in Sabac with one-twentieth of its capacity.

Identical problems are troubling absolutely every segment of metal processing: Calming answers still have not arrived to the questions of who in the future will be buying Zastava's cars, the shipbuilders' ships, the combines and tractors of the "Belgrade metalworkers," and who will be the customers of the metal-manufacturing industry and machinebuilding, unless there is a "boom" of investment and consumption in these parts and financial rescue of the utilities—a boom that is not at all anticipated.

We doubt that they are known even to those who see in the most threatened complex in the Yugoslav economy a support for the less menaced rest of the economy. Unless they are thinking that a modest survival and a surplus of employees, as well as a reduced domestic need for their products and a bit of foreign exchange, can be achieved even with very modest employment of the immense capacities of our largest firms.

But in that case the share of fixed and total costs will remain too high to make money. Prices are also likely to be higher than world prices, and quality lower, and those few domestic consumers of such goods will be preserved with still higher import barriers, and even physical, barriers, than those at present.

There will be many candidates to flee this scenario: Unable to buy or even lease any of the "untouchable" economic "giants," businessmen who have already matured are being pushed out into East Europe and beyond, where they continue to make larger and larger profits. Those who in the future will be awaiting their remittances with longing are shouting "Thieves, thieves!" to them even now.

Serbia

Qian: 'Satisfactory' Economy Despite Sanctions

AU1004145795 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 10 Apr 95

[FBIS Translated Text] After their talks, Serbian President Slobodan Milosevic and Chinese Vice Premiere Qian Qichen made brief statements for journalists. Tamara Motrenko reports:

[Motrenko] After nearly two hours of talks between Serbian President Slobodan Milosevic and Qian Qichen, vice premiere and foreign minister of China, the many domestic and foreign journalists were first addressed by President Slobodan Milosevic:

[Begin Milosevic recording] I would like to express my great satisfaction at having the opportunity to greet our eminent guest from China, the foreign minister of this large, friendly country, Qian Qichen, who is paying an official visit to our country as head of a delegation.

We greatly appreciate China's approach and its position on the entire Yugoslav crisis, as China has demonstrated a very high degree of impartiality and understanding. I would only like to remind you that China has never on any occasion supported the introduction of sanctions against our country, that it strives for the policy of equality among the peoples and states, and that we believe that this endeavor, this principled and fair endeavor for the policy of equality among the peoples and states, will eventually triumph on the international political scene.

Today we also discussed bilateral relations and concluded that there is hardy a sphere of economic or cultural life for which there are no conditions for cooperation. We expect the visit by our eminent guest to contribute to the broadening of friendship between our two countries and that it will open paths to further intensive cooperation between Yugoslavia and China.

I wish them a warm welcome once again. [end recording]

[Motrenko] Qian Qichen, vice premiere and foreign minister of the People's Republic of China, described the talks with President Milosevic with the following words:

[Begin Qian recording in Chinese fading into Serbo-Croatian translation] I would like to express my great satisfaction at having the opportunity to meet President Milosevic during my visit to Yugoslavia. China, of course, is aware of the difficulties that Yugoslavia is experiencing following the imposition of the sanctions. However, we have seen that despite the sanctions, the situation in the economy is satisfactory and that all walks of life are functioning normally. The results achieved by Serbia and Yugoslavia are not negligible either, as the people of Yugoslavia enjoy a good standard of living.

President Milosevic and I have held very rich and substantial talks on the development of bilateral talks

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between the two countries and the broadening of economic cooperation between China and Yugoslavia, for which there are very good conditions. China takes the view that after the sanctions have been lifted this cooperation will develop at an accelerated pace.

Regarding the crisis on the territory of the previous Yugoslavia, China would like the peace process to be renewed and peace established as soon as possible and for Yugoslavia to continue to play a positive role in this process and the region as a whole. If peace were to be established, this would not only be in the interest of the Federal Republic of Yugoslavia, but also of all neighboring countries and the region as a whole, said Qian Qichen, deputy prime minister and foreign minister of the PRC.

Djindjic Clarifies Remarks on B-H Recognition

AU1004161795 Belgrade NASA BORBA in Serbo-Croatian 8-9 Apr 95 p 2

[Report by S.N. Adamovic: "Bosnia-Herzegovina Acceptable as a Confederation"]

[FBIS Translated Text] Belgrade—When you say recognition of Bosnia-Herzegovina [B-H], this is usually interpreted within the framework of the French initiative on mutual recognition. This is not what I meant. We believe that there is no need to expend too much energy on the issue of Bosnia-Herzegovina's status; we primarily need to define what comes under the sovereignty of the Srpska republic. This is how Zoran Djindjic clarified his statement to NASA BORBA on 7 April at the Democratic Party's [DS] regular press conference held yesterday. When addressing the goals of the DS' visit to Pale, Djindjic said that the minimum that the Pale leadership should accept is "to acknowledge that Bosnia-Herzegovina exists, since it is a UN member."

Such a Bosnia-Herzegovina—compatible with the Srpska republic's sovereignty—could be acceptable. This means, added the DS president, a union of the Srpska republic and the Muslim-Croatian Federation as a loose confederation, which, of course, stresses the importance of constitutional principles. If these constitutional principles were to guarantee the Srpska republic's sovereignty on its territory and the right to confederal ties with Yugoslavia, Djindjic believes that "the name of the union would be less important."

Pale's answer to the DS' proposals is "positive in principle," because, stressed the DS president yesterday, "it is important for them to have their constitutional sovereignty guaranteed before they agree to the status of this state." [sentence as published]

I do not think that the fact that the Srpska republic would be acknowledged as a sovereign state entity would in any way be incompatible with the fact that Bosnia-Herzegovina is a UN member," Djindjic said.

Assessing the current situation in Bosnia-Herzegovina, the DS president yesterday disclosed his party's position that it is currently extremely problematic to talk about extending the cease-fire, in part because of the Muslim offensive and also because of the many unclear points currently present in the status of the peace forces and various resolutions. At this point, the blockade on the Drina River makes the least sense, said Djindjic, and added that the minimum that could be done is to lift the blockade for goods important for the economy.

Socialist Leader Jovic Warns Pale Leadership

95BA0208C Belgrade BORBA in Serbo-Croatian 21 Mar 95 p 7

[Unattributed article: "The Worst Has Not Yet Happened"]

[FBIS Translated Text] Belgrade—"The worst should be over, but much depends on us ourselves, not only us here, but on the Serbian people in general," Dr. Borisav Jovic, vice chairman of the Main Committee of the Socialist Party of Serbia [SPS] and federal deputy, said in an interview over Radio Pozarevac.

"It should not be forgotten that certain forces had an intention of completely breaking up Yugoslavia and dismembering the Serbian people. We should not underestimate their anger at not having completely succeeded and their desire to take revenge if the opportunity is offered them. It would be very dangerous to think that victory is in our grasp, that the issue has been settled.

"Those forces are waiting for a moment to reverse the situation, to destroy what has happened, and in the end to do what they intended at the outset, thereby trampling on everything the Serbian people has achieved," Jovic said. "This does not apply only to the Serbian people in Krajina and Bosnia-Herzegovina. There are forces that can hardly wait to draw Serbia and Yugoslavia into a conflict and take full revenge upon us. That is why it is extremely important to us that we conduct a policy of peace and understanding, to cast in political terms what has been achieved so far. A political conflict would draw us into situations in which the worst could happen. And the worst would be for the FRY [Federal Republic of Yugoslavia] to be drawn into war.

"If the Serbian leadership in Pale should stubbornly stick with the war option, then that could cause a change of direction in the international community and withdrawal from what was proposed by the Contact Group plan.

"I hope that the leadership of the Serbian people in Pale will also have the strength to understand what is now the crucial interest and the crossroads where we now stand," Dr. Borisav Jovic said in his Radio Pozarevac interview.

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